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Senate

The Senate met at 9 a.m. and was called to order by the Honorable BOB SMITH, a Senator from the State of New Hampshire.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, Rev. Edward J. Arsenault, Diocese of Manchester, Manchester, NH.

PRAYER

The guest Chaplain, Rev. Edward J. Arsenault of the Diocese of Manchester, Manchester, NH, offered the following prayer:

Gracious God, You give without measure. We offer You praise and honor for the gifts which You have bestowed upon our Nation: natural splendor, freedom from all forms of oppression, a national spirit of enterprise and achievement, and a desire to serve the less fortunate in whom we see Your face.

We ask that You bless those who serve our Nation in this hallowed Chamber. It is here that bold ideas are scrutinized, important decisions are reached, and the lofty vision of a nation is made new. May the exchange among our Senators be imbued with a profound sense of the responsibility which they bear to You, to one another, and to those whom they serve: the people of this great Nation.

Lord, when our faith is weak, make us strong. When our hope is dampened, make us bold. When our charity is measured, make us mindful that Your love knows no bounds. May all that is done here today have its origin in You and, by You, be brought to fulfillment. Amen.

PLEDGE OF ALLEGIANCE

The Honorable BOB SMITH 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 3, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BOB SMITH, a Senator from the State of New Hampshire, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. SMITH of New Hampshire thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from New Mexico.

SCHEDULE

Mr. DOMENICI. Mr. President, the leader has asked me to announce that today the Senate will immediately resume consideration of the budget resolution. Senators who have amendments and opening statements should work with the bill managers on obtaining floor time. A few hours were used up during last night's session, and therefore there are under 50 hours remaining. Senators should be prepared for votes throughout each and every day this week in an effort to complete the budget resolution prior to the end of this week.

I thank my colleagues for their attention.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent to speak as in morning business for up to 2 minutes.

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

THE GUEST CHAPLAIN

Mr. SMITH of New Hampshire. Mr. President, I rise today to congratulate Father Ed Arsenault for the moving prayer we just heard. Father Ed is a cabinet secretary for administration and chancellor of the Diocese of Manchester, NH. The Diocese of Manchester, of course, encompasses the entire State of New Hampshire. He is also the pastor of St. Pius X parish in Manchester where he shows great compassion for the poor and the needy.

As secretary for administration, Father Ed is responsible for the daily operation of the diocesan administration, and as chancellor he oversees the maintenance of all records in the diocesan archives and serves as executive assistant to Bishop John B. McCormack in the daily operations of the bishop's office.

Father Ed holds a masters in divinity from St. Mary's Seminary in nearby Emmitsburg, MD. He was ordained a priest by Bishop Leo O'Neil on June 1, 1991.

Father Ed is very special to me and my family because he is our spiritual adviser and has been for many years. He sponsored my wife Mary Jo as she actually converted to Catholicism. Father Ed also presided over the marriage of my daughter Jenny to her husband Eric in New Hampshire in 1998.

It is a privilege to have Father Ed join us in the Senate to share his words of prayer with our Nation. Father Ed's friendship and spiritual guidance have been a blessing to me and my family

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

for many, many years. I am proud and honored to sponsor Father Ed as guest Chaplain.

I thank my friend, the Chaplain of the Senate, Lloyd Ogilvie, for allowing Father Ed to be here.

Also, I recognize Father Ed's brother, Michael, his aunt Jeri, and mother Ann who are here today to witness this wonderful occasion.

I yield the floor.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

Pending:

Amendment No. 170, in the nature of a substitute.

Mr. DOMENICI. Mr. President, I am working with the ranking member on a startup schedule this morning. I suggest the absence of a quorum to be charged to our side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, we have begun debate on the budget resolution, the budget resolution for the country for the next year. Under the rules of the Senate, we are also required to put it in the context and the framework of a 10-year budget, and so begins what is in many ways perhaps the single most important debate that we will have this year. It is the question of choices we make with respect to the priorities of the Nation.

Our President has said on many occasions that it is the people's money; we ought to give the money back to the people. I think all agree that the President is exactly right when he says it is the people's money. Of course it is. That is exactly right. But I think we also understand that there are more choices than just giving the money back to the people by way of a tax cut. There are certain things that we do collectively as the people of a nation which we cannot do individually: for example, providing for our national defense.

There are other things that we do as a society to make it a better nation. We have a Social Security system to safeguard our elderly. We have a Medicare program to provide for the health of our senior citizens. We have support for education because we all understand that is the Nation's future.

We also have a national debt, a publicly held debt that, as we meet here today, is $3.4 trillion. But there is another debt that we don't talk very much about. That is the gross debt of the United States. That gross debt is $5.6 trillion. While we say many times we are paying down the publicly held debt, and that is true, it is also true that the gross debt of the United States is actually increasing. I think that confuses many people.

The publicly held debt is that debt which is held by people outside of the Government. It is debt held by the public. And the public is not just the public here in America; the debt is also held abroad. It is held by Japan, by Germany, and by other countries. That is the publicly held debt, $3.4 trillion as we meet here today.

But the gross debt of the United States is the debt not only owed to the public but the debt that is owed to other government entities. For example, the trust funds of the United States—the general fund of the United States owes the Social Security trust fund hundreds of billions of dollars. Under the President's proposal and under all other proposals, the way we are going to be paying down the publicly held debt is to take the surpluses that are in Social Security and use those to pay down the publicly held debt. Because the money is not needed by Social Security at the moment, and will not be needed for the next decade, that money is in surplus. It is those surpluses—the surpluses that are in the trust funds—that are being used to pay down the publicly held debt.

While we pay down that publicly held debt, obviously we are creating another debt. The debt we are creating as we pay down the publicly held debt with trust fund moneys is a debt to the trust funds from the general fund of the United States. That debt is increasing.

While we talk about surpluses, I think we should be ever mindful that these surpluses are temporary. When we get past this 10-year period, we are going to face, instead of surpluses, deficits. We know that. The Comptroller General of the United States has warned that we will face a demographic tidal wave when the baby boom generation retires. And then these surpluses turn to substantial deficits.

With that in mind, the Democratic alternative to the budget proposed by our colleagues on the other side has adopted these fundamental principles. First, we protect the Social Security and Medicare trust funds in every year. Second, we pay down a maximum amount of the publicly held debt. Third, we provide for an immediate fiscal stimulus of $60 billion to give some lift to this economy. In fact, we believe that is what we ought to be debating on the floor of the Senate this week. We think we ought to be talking about the fiscal stimulus package. Instead of a budget resolution talking about the next 10 years, we ought to be talking about a fiscal stimulus package for this year. Fourth, we believe we should provide significant tax relief for all Americans, including rate reduction, marriage penalty relief, and estate tax reform.

In addition, our budget reserves resources for high-priority domestic needs, including improving education, a prescription drug benefit, strengthening of our national defense, and funding agriculture. Those are very clear priorities of the American people.

The American people tell us in meeting after meeting: We want you to improve education. We want you to invest in our kids. And they are right. Our budget responds to that call. They also say: We want a meaningful prescription drug benefit. We know that the pattern and practice of medicine have changed since Medicare was enacted and we ought to have a modernized Medicare, one that includes a prescription drug benefit. That is costly. But we have provided for it in our budget. And strengthening our national defense; there is broad bipartisan consensus that our defense must be strengthened. Additional resources must be provided. If they are going to be provided, they have to be in the budget. That is what we have done with our budget. Finally, we have provided $750 billion to strengthen Social Security and to begin to address our long-term debt. We think that is critically important.

The budget on the other side provides nothing for this purpose—no dollars to strengthen Social Security for the long term. Not any investment in dealing with our long-term debt which is coming as certainly as night follows day.

We believe these are the priorities of the American people that ought to be included in any budget. I will go to the specifics that demonstrate we have kept faith with those principles.

We start with the projected surplus of $5.6 trillion. As I said last night, it is important that we remember this is just a projection. It may not come true. In fact, if there is one thing of which we are certain, it is the uncertainty of this forecast. Even the agency that made the forecast says it is highly uncertain. The people who made the forecast say to us there is only a 10-percent chance that number is going to come true—10 percent. They say there is a 45-percent chance there will be more money. They say there is a 45-percent chance there will be less money. Which way would you bet, after the events of the last 8 weeks since this forecast was made? Is the economy strengthening or weakening? Is it more likely the money will be less than forecast or more than forecast? I feel safe in predicting it is likely to be less than was forecast.

Whether that is right or that is wrong, the reality is we know $5.6 trillion over 10 years is a very uncertain projection. When the forecasting agency made the estimate, they informed us, looking at their previous forecasts and the variance from what they projected and what actually came true, they said this could be anywhere from a $50 billion deficit to over a $1 trillion surplus in the 5th year alone, based on the previous variances in their forecasts. So it is highly uncertain.

Then we take out the Social Security trust fund. We protect it. We protect the Medicare trust fund. That leaves us with a non-Social Security non-Medicare remainder of $2.7 trillion that is left.

The Senator from Texas, Mr. GRAMM, put up a very interesting chart last night. He started with the same projection of surplus, but when he subtracted out trust funds, he only subtracted out the Social Security trust fund. There was not any mention of the Medicare trust fund in his presentation. There was no mention at all. I guess that should not be surprising because he has argued there is no Medicare trust fund. He said there is no surplus in the Medicare trust fund.

That is not what the law says. That is not what the actuaries say. That is not what the reports of the Congressional Budget Office say. That is not what the President's own budget document says. All of them make very clear there is a trust fund surplus in Social Security and there is a trust fund surplus in Medicare. Medicare Part A has a surplus of anywhere from $400 billion to $500 billion. The Congressional Budget Office says it is $400 billion. The President's budget document says it is over $500 billion. Medicare Part B is in rough balance over the 10-year period.

The Senator from Texas says: Oh, no, Part B is in deficit. It is not in deficit. That is just not so. He tries to make the case by saying only 25 percent of the funding for Medicare Part B comes from premiums; 75 percent comes from the general fund. That has nothing to do with being in deficit. That has to do with the law that we have passed in the Congress. We have said 25 percent of the funding of Part B will come from premiums and 75 percent will come from the general fund. It has nothing to do with being in deficit.

So the reality is there is a trust fund surplus in Medicare of $400 billion, according to the Congressional Budget Office—$500 billion according to the President's own budget documents. We believe every penny of it ought to be protected. It should not be raided for any other purpose. That is a fundamental difference between the budget offering on this side and the budget offering that we make. We believe this money should not be shuffled off to some contingency fund available for other uses. We believe it ought to be protected in each and every year.

Of what is left, we believe a third ought to go for a tax cut. That would be a net tax cut excluding the interest cost of $745 billion over the next 10 years. We believe that is affordable.

Then we believe about a third ought to go for these high-priority domestic needs. We have made very clear and very specific what those needs are: $311 billion for a prescription drug benefit. That funds a prescription drug benefit that would be available to all who are Medicare eligible. It would be on a voluntary basis. It would be a significant benefit—not the most generous, by any means, of those that have been offered on the floor of the Senate in various proposals but nonetheless a significant benefit. The President's proposal is half as much. But of course 75 percent of people who are on Medicare will get no benefit under the President's plan. We do not think that is a serious prescription drug benefit plan.

We provide $193 billion for infrastructure and education. It is not enough to just talk about these as priorities. If they are priorities, they need to be funded, and no one is more important than education.

Third, we provide $100 billion over the 10-year period for additional resources for our national defense because we think that is critically important as we go forward and, fourth, we provide another $140 billion for other mandatory and health care expenditures. A very big chunk of this is for health care expansion so more people can be covered. We do not make the specific decision in the budget resolution about how that should be done, but we provide the resources so it can be done.

Then we take a third of the non-trust-fund money and use it to address our long-term debt: $750 billion to strengthen Social Security because that is the source of most of our long-term debt. This $750 billion is also available as a strategic reserve in case these projections aren't ready.

Then the interest costs associated with the other elements of the plan, because anytime you cut taxes, anytime you spend money, that increases your interest cost because the money is not paying down debt. If we are not providing a tax cut, if we are not spending money, then we are using it to pay down debt. To the extent we pay down debt, we reduce interest costs. So if we use the money for other purposes, if we provide a tax cut as we do, or if we spend money on high-priority domestic needs as we do, then there is less money going to pay down debt and that means additional interest costs.

Let me make the point that we are doing far more dedicating of resources to paying down debt than our friends on the other side of the aisle. The President has said he would dedicate $2 trillion to paying down debt and his $2 trillion comes from the Social Security trust fund. We have reserved all of that money from the trust funds for paying down publicly held debt, $2.5 trillion plus $400 billion for the Medicare trust fund. So we are dedicating more money to paying down the publicly held debt than is the plan on the other side. In addition, we have reserved $750 billion for the long-term debt.

We have tried not only to emphasize the short-term debt and the publicly held debt but to also focus on the long-term debt facing our Nation. If you add the one-third of what remains after we protect the trust funds with the trust funds money which will go to paying down debt, we have a combined total of nearly $3.7 trillion out of the $5.6 trillion for paying down short-term and long-term debt.

That is the fundamental difference between our plan and their plan. They have a much bigger tax cut. We have much more for paying down short-term and long-term debt.

The Senator from Texas tried to say last night that the real difference is spending. No, it isn't. There are some differences in spending because we make more of a commitment to these high-priority domestic needs—education, prescription drugs, national defense, health care, and expansion. We spend more money in those high-priority areas. But that isn't the biggest difference between us. The biggest difference between us is that we have reserved over two-thirds of these projected surpluses for paying down short-term and long-term debt. The President has reserved about 35 percent of the money for that purpose.

I have done this comparison chart to try to get at the heart of the differences between our proposal and their proposal.

You can see from the GOP budget that while the President says he will only use $2 trillion to pay down publicly held debt, his budget numbers actually show that he is using all of the Social Security money for paying down publicly held debt. We do the same.

On the Medicare trust fund, we have reserved all $400 billion. The President's proposal has taken that money and put it in an unallocated category. We will get to that as we go through this comparison.

On tax cuts, the President proposes $1.6 trillion; we propose $745 billion.

On spending, the President proposes $713 billion over the 10 years above the so-called baseline. We are at $743 billion because of the high-priority domestic needs of education, health care, prescription drugs, and national defense.

Here is the place where there is a major difference. We have the strategic reserve to strengthen Social Security and deal with our long-term debt. They have nothing for that purpose in their budget. We have $750 billion.

As I indicated before, the interest cost on the Republican budget is $472 billion; $490 billion in our plan.

If you add up the totals in the Republican plan, it comes to $4.8 trillion, ours is $5.6 trillion, and they have left unallocated $846 billion. Let's remember that $400 billion of that is from the Medicare trust funds. They call it unallocated. It is fully allocated. It is fully committed. It is committed to the trust fund.

By saying it is unallocated, by saying it is available for a contingency, they are opening up the Medicare trust fund for the raid—the raid that has gone on in the past, the raid we have been able to stop the last 3 years. They are getting ready to raid the Medicare trust fund all over again.

If we take that out of their contingency fund, we are left with just under $500 billion. That is not enough to cover education, prescription drugs, national defense, and the alternative minimum tax reform that is made necessary by the President's tax cut plan because the President's tax cut plan which he advertises as costing $1.6 trillion actually will cost a great deal more than that because it will require us to change the alternative minimum tax.

Currently, about 2 million people are caught up in the alternative minimum tax. The President's plan will put over 30 million people under the alternative minimum tax. Boy, are they in for a big surprise. They thought they were going to get a tax cut. They thought they were going to get a reduction. What they are going to get is caught up in the alternative minimum tax.

Thirty-million taxpayers—nearly one in four taxpayers in our country—are going to be caught up in the alternative minimum tax under the President's plan. It costs $300 billion to fix. On top of his $1.6 trillion tax cut, it will cost another $300 billion to fix the alternative minimum tax.

Then, of course, you have the interest cost associated with the President's tax cut and fixing the alternative minimum tax. That is another $500 billion. Now we are talking real money.

The reported cost of $1.6 trillion, of course, is reestimated by the budget experts of the Congress. I can tell you that they reestimated just part of his plan and they found it costs much more than $1.6 trillion. Over in the House, they reestimated just part of his plan and it went up in cost by $126 billion.

The $1.6 trillion plan, the $1.7 billion plan, then you have to fix the alternative minimum tax, which is another $300 billion, and then you have the associated interest costs, which is another $500 billion. Now you are talking real money—$2.5 trillion from their supposed projected 10-year surplus of $5.6 trillion.

Unfortunately, $3.1 trillion of that, according to the President's numbers—because his is slightly different from the Congressional Budget Office number—$3.1 trillion of that $5.67 trillion is trust fund money. It is trust fund money—$3.1 trillion of $5.6 trillion is trust fund money.

Then you take the President's tax plan; it costs $2.5 trillion when you include all of the costs. You can see he has used all the non-trust-fund money for his tax cut plan. That is the fundamental problem with the President's plan. That is the fundamental problem with trying to find a way to get his plan to add up.

For just a moment I would like to talk about the question of reconciliation. Very soon we may face the vote on reconciliation. I think it may be one of the most important votes not just in this debate but it may be one of the most important votes in all of our service time in the Senate. It may be one of the most important votes that affects the role of this institution. Why do I say that?

Reconciliation was created for deficit reduction. It was created to short-circuit the normal way of doing Senate business, giving Senators the right to extend debate and giving Senators the right to amend legislation. The reason Senators were given those rights was that our Founding Fathers believed it was critical to the constitutional functioning of the U.S. Congress.

They created the House of Representatives with Members serving 2-year terms to respond to the heat of the moment, to respond to the public passion. They created the Senate to be the cooling saucer, to be the place where debate and amendment could prevent serious mistakes. That is the constitutional role of the Senate. It is absolutely critically important to the functioning of our democracy.

Reconciliation sweeps all of that away. Reconciliation has special procedures that allow only 20 hours of consideration of legislation on the floor of the Senate—no extended debate, no right by every Senator to amendment. That is all out the window. That reconciliation process was put in place for a purpose. The purpose was the deficit crisis that was facing the country. It was designed to be a way to raise taxes and cut spending to reduce deficits. That is why reconciliation was put in place. It was not designed for programs to increase spending or to cut taxes. That is just the opposite of for what reconciliation was created. I repeat, reconciliation was created for deficit reduction.

It would be a perversion of the reconciliation process to use it for spending or for tax cuts. That is not deficit reduction. That is the opposite of deficit reduction. That is for what reconciliation ought to be reserved. Everything else ought to be under the regular order of the Senate, permitting Senators the right to extended debate, permitting Senators the right to amend because that is the constitutional role for this body. To change that role is a fundamental threat to the constitutional structure of the Senate.

Nothing could be more important in this debate because if we fundamentally make the Senate of the United States into the House of Representatives, we have fundamentally changed the nature of this institution. We have fundamentally—and perhaps for all time—altered what our Founding Fathers intended for the Senate.

I remember so well back in 1993–1994, there was a different administration, there was a different hot issue of the moment; it was health care. A group of us, including the father of the distinguished occupant of the chair who was part of a group, a bipartisan group, were given the primary responsibility to write a health care reform bill. That administration very much wanted that legislation. It was their highest priority. But they knew they could not get it through the regular order. They could not get it through the regular Senate process. They could not get 60 votes to stop a filibuster.

So they came to a group of us and asked us if we would support the use of the reconciliation process for a massive new spending program, a $138 billion spending program to expand health care coverage. And that group of us said: No. As much as we wanted to reform the health care system, as much as we wanted to expand coverage, we said that would be an abuse of the reconciliation process because it was not for deficit reduction, it was for new spending, and we could not go along with that request. We could not support it because it went beyond a procedural question.

That was a fundamental question of the operation of this institution, a fundamental question of the operation of the Senate and its constitutional role. We could no more support the use of reconciliation for a spending program as we could for a tax-cutting program because neither were intended to be used under the special rules of reconciliation that reduced the rights of each and every Senator to extended debate and the right to amendment.

In fact, under reconciliation we are limited to 20 hours on the floor of the Senate, and one side or the other can give back all of its time. They can give back 10 hours. Then you are down to 10 hours, 10 hours of debate and amendment on a bill that would provide a $2 trillion tax cut.

Is that what our Founding Fathers intended? Is that what the Founding Fathers intended for the Senate, that there would be a limitation and a restriction on debate, on something that would provide a $2 trillion tax cut, that that should be limited to 10 hours of debate and amendment? I do not think so. I do not think that is what they intended.

I do not think that is what they intended for a spending measure either. I do not think they ever intended you could only have 10 hours of debate and discussion on something that could spend hundreds of billions of dollars. No, no. That was not the role of the Senate. That fundamentally threatens the role of the Senate. That undermines the role of the Senate. That neuters this Senate. And if we neuter that role, we have fundamentally altered what our Founding Fathers intended.

This goes way beyond the question of a tax cut. This goes to everyone's vision of what this Chamber should be about. I believe, as our Founding Fathers did, that the role of the Senate is to be the cooling saucer. This is where we should have extended debate. This is where Senators should have the right to offer amendments, and to have them voted on, and to have our colleagues ultimately held accountable as to their votes. There should be no rush to judgment. There should be no process that short-circuits all of the protections that are given to individual Senators so they can represent their individual States and protect the rights of a minority. When I am asked what the fundamental problem is with the budget plan that has been offered by the other side, I go back to this chart because, to me, the numbers tell the story. We start with a projected surplus of $5.6 trillion. But $2.6 trillion of that is Social Security; $500 billion is Medicare. Now, these numbers are slightly different than the numbers I used on my chart because I was using CBO numbers. We are required to do that in the Budget Committee. These are the President's numbers. Instead of a Social Security trust fund that the Congressional Budget Office says amounts to $2.5 trillion, the President says it is $2.6 trillion. The Congressional Budget Office says the Medicare trust fund is $400 billion; the President's office says $500 billion. This is the President's budget. So I am using the President's numbers.

That leaves us with $2.5 trillion of non-trust-fund money. We take out the Bush tax cut—$1.7 trillion, as reestimated by the House—we take out the cost of the alternative minimum tax reform that will be required by his plan—it is not part of his plan, but it is required by it—that costs another $300 billion, the interest cost—$500 billion—of the tax cut and the alternative minimum tax fix and the Bush spending proposals above the baseline of $200 billion. That adds up to $2.7 trillion, and the President is ''in the hole'' by $200 billion.

Where does it come from? There is only one place I can find it can come from, and that is the trust funds. That is the problem with the President's plan. It does not add up. It is right into the trust funds before we ever get started.

Mr. President, I see there are Members waiting to offer amendments. By prior agreement, I am going to stop talking for the moment, and we will have remarks from the other side of the aisle, and then we will go to the first amendment, which will be an amendment from our side on prescription drugs. With that, I thank the Chair and yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I appreciate the kindness of my colleague and good friend from North Dakota.

We have a lot of work to do this week. I know we are going to be getting to amendments, but I thought it would be important to talk a little bit about the ''Blueprint for New Beginnings'' submitted by the President on February 28 and how we intend to implement our agenda in this congressional budget resolution offered by the chairman of the Budget Committee.

As we all know, the Congressional Budget Act puts a deadline on adoption of the budget resolution. It must be signed, sealed, and delivered by April 15. That is an important deadline for a couple of reasons. It is the tax filing deadline. As Americans put together their tax returns, they see newspaper stories about how their tax money is being spent. We certainly have their attention then, and taxpayers who calculate the tax burden say: What am I getting in return? Then they see the details of the budget in their newspapers and they get to decide whether it is worth it or not. Are they getting all the Government they deserve, or are they paying for too much Government?

Second, April 15, an early deadline, is important to keep us on track for the rest of the year. As a member of the Appropriations Committee as well as the Budget Committee, I know that the two committees have to work together to figure out how much we are going to spend for the coming year, and then the subcommittees need to work up the 13 individual bills to meet these targets. We should pass them and sign them into law by October 1.

We have had trouble getting the appropriations bills passed on time in recent years and I guess even before then. Last year the complete package was not signed into law until December 21. By that time, several of us had already written our letters to Santa Claus. We would have rather gotten a lump of coal in our stocking than to be still dealing with appropriations bills at that late date.

If we were to miss the budget deadline now, it would make our timeframe even more of a problem, and we could lag further and further behind the rest of the year.

There was a very interesting exchange last Friday about that between the distinguished Senator from West Virginia and the Senator from Arizona. I say this is one of the central issues that often gets overlooked in this discussion. If we miss the deadline now, we are set up for missing deadlines all year long, deadlines we have enough trouble meeting as it is.

These are not simply arbitrary dates that do not matter. When we fail to have a budget in place by the start of the fiscal year, the agencies are severely affected. They do not know how to plan, they are put in limbo, and we pass short-term continuing resolutions. That just keeps the doors open and keeps us busy with make-work, passing of the short-term continuing resolutions.

One cannot develop a consistent year's plan for the operation of an agency with a stop-and-start, stop-and-start continuing resolution agenda. This causes agencies and the programs to be less effective in serving our citizens. In turn, we get further behind in our preparations as well.

I am unwilling to say that we can afford to miss the April 15 deadline facing us knowing that to do so will put us even further behind. We must move forward using the best information we have, and the information we have turns out to be pretty good.

We expect a $5.6 trillion surplus over the next 10 years. Out of that, we set aside $2.5 trillion of Social Security money. A bipartisan consensus has already developed that this money should be used for Social Security. It is not used for additional spending. It goes to pay down the debt held by the public, and that is the only way we can put money in the bank.

We gave ourselves a little extra leeway, a little extra breathing room so we can borrow again down the road when we need to pay benefits to retiring baby boomers. That is $2.5 billion in debt reduction, putting that money, again, to use for Social Security later.

Some have said we do not do much debt reduction under the President's proposal. Mr. President, $2.5 trillion is not enough? That is out of a total of $3.4 trillion in debt held by the public.

At the end of the 10 years covered by this budget resolution, less than $1 trillion will be left of the debt. We know that under this formula we will retire all the debt that is actually possible to retire. The only question is when we will reach that point.

Federal debt is used as an investment for many Americans and other people around the world. Pension plans use it as a safe place to put their funds. They will not want to part with it unless we pay a big premium to make it worth their while to give up that investment. It makes no sense for us to pay down debt to the point that we would have to pay a premium to buy back the obligations that people hold.

I do not know about the occupant of the chair, but certainly in our family when my son was growing up, we bought savings bonds. We expected over a period of time the Federal Government would pay the interest on that debt and that he would have a long-term investment in a federally guaranteed, federally safe investment. To buy all those savings bonds back, as well as the bonds held by funds, not only disrupts the planning in the private sector, but probably cannot be done without paying a premium.

When I say there is only so much debt we can pay down, I believe any economist will tell you the price to buy some of that debt down is exorbitant. There is no reason for us to pay down debt before it is due if we are going to have to pay a premium.

After we set aside Social Security money and pay pretty much all the debt we can, we still have $3.1 trillion left. That is a lot of money to meet critical priorities.

One of the priorities, obviously, is Medicare. Since this program was set up in the sixties, medicine has made tremendous progress. Problems that required expensive hospital stays now can be treated with prescription drugs. It is cheaper for the taxpayer and better for the patient. It makes sense to have a reformed Medicare plan that includes prescription drug coverage.

Clearly, one of the things we must do in this Congress is reform Medicare. Fortunately, we have bipartisan work going on with the Senator from Louisiana and the Senator from Tennessee coming up with a plan that makes some sense instead of the current plan where we have the Government trying to control the costs merely by setting prices when the patients and the providers control the usage.

As I have said before, that system does not make sense. The Health Care Financing Administration, which is right in the middle of the system, has made it even worse. They have imposed arbitrary cuts. For example, they have put more than one-third of the home health care agencies in the Nation out of business by demanding too great a cut in their reimbursement. We need to put Medicare on a sound footing. We need to blow up the current function of HCFA and move into a system that has some rational being, some commonsense approach to ensuring that we provide the services and that we do so in a cost-effective manner.

I hope we will get to the Medicare reform proposal because people in the health care field tell us that Medicare and HCFA are the biggest problems. Over the last 8 to 10 years, the problems we have seen with HCFA administering Medicare under the Balanced Budget Act have been huge. They are probably the most unresponsive agency in the Federal Government. If our experience in small business is anything like the experience other committees have had, we can assure our colleagues this is a system that is not working.

We will have the money in Medicare for reform. There is surplus in one of the Medicare trust funds. The hospital insurance trust funds will be nearly $400 billion over the next 10 years. This budget resolution ensures all that money can be used for Medicare purposes, and it allows us to pay, at least in part, for prescription drug coverage.

I believe my colleague on the other side of the aisle rounded that figure up to $500 billion, but the figures we have are about $392 billion. That is a little bit of a rounding up error.

Mr. CONRAD. Will the Senator yield?

Mr. BOND. Of course.

Mr. CONRAD. I tried to make clear in my presentation, and I know the Senator wasn't here, there are two different sets of numbers. One is the President's number from the Office of Management and Budget. He says there is $500 billion in the Medicare trust fund Part A. The CBO says $400 billion or the specific amount of $392. That is the difference.

I have tried to be clear throughout on those differences, that it is a difference between the agencies. The CBO that we must use says $400 billion, and the President's Office of Management and Budget says $526 billion. That is the difference.

Mr. BOND. I thank my colleague. As he said, we do use Congressional Budget Office numbers in the congressional budget resolution.

In any event, we will round that up to $400 billion. I think we found a basis of agreement. We have already overcome one of the big hurdles, and we now, at least for this side, agree it is $400 billion.

However, one of the fundamental issues that separates our side of the aisle from our Democratic friends is what we do with that money. It is set aside for Medicare. I agree with Senator DOMENICI and voted on March 13 for his version of the lockbox that allows Medicare money to be spent on Medicare. It sounds like common sense to me. That is what we have a trust fund for, to provide for Medicare. So let's use it. That is how we make prescription drugs affordable. That is how we make Medicare reforms and make the programs stronger, solvent for the long term, and ensure our senior citizens will continue to have not only Medicare coverage but, if they have prescription drug coverage, they will continue that. If they don't, they will have a prescription drug option and low-income seniors will get assistance for their prescription drug payments.

Our friends on the other side of the aisle want to lock the money away completely with a flawed so-called lockbox that would not allow Medicare money to be used for Medicare. We don't think that makes sense. That approach would have jeopardized the growing consensus that we need to provide prescription drug coverage. The Democratic approach would have made it unaffordable. Medicare money should be spent for Medicare. I am committed to that. But the so-called lockbox that wouldn't allow Medicare money to be spent even on Medicare is counterproductive and unrealistic.

Finally, after setting aside Social Security money, after paying down as much debt as we can, and after making prescription drug coverage available in a reform Medicare program, we have money left over to return to the hardworking folks who earned it in the first place—or, better yet, not really returning it; we are leaving it in their pockets.

I don't know how many of you have the workout T-shirt that I have from the small business community. It says it is the money that we sent to Washington; it is not the IRS. It is not theirs; it is ours. We are sending it to Washington because they need it. If Washington doesn't need it, we need to leave it in their pockets. We need to leave it in the pockets of the hardworking American families who have debts they have to pay. They have needs they have to secure for their families. Our proposal would leave more of that money in their pockets.

We have $1.6 trillion in tax relief. Leaving that money in the pockets of families, farmers, and small businesses will have a tremendous impact.

As chairman of the Small Business Committee, I listen to small businesses every day, 21.2 million of whom are taxed at personal rates. In other words, the taxes from the businesses flow to them. They are either proprietorships or partnerships or limited liability corporations, subchapter S. corporations, and instead of being taxed in the corporate entity, they are taxed at the personal level. Mr. President, 21.2 million pay income taxes based on personal rates.

When we lower marginal rates as proposed by the President, No. 1, we are giving the greatest tax relief to the low-income people. Six million people at the bottom of the income-tax-paying ladder are taken off the income tax rolls. If you are a family of four making $35,000 a year, you get knocked off the income tax rolls altogether. A family of four making $50,000 a year receives a 50-percent tax reduction: $1,600 will be the reduction. Up the scale, a farmer or businessman will have reductions in income taxes that will allow them to save, to invest in equipment, to invest in technology, to hire more workers, and to pay more to the workers.

We have had a tremendous explosion in the productivity of our workforce in recent years because we have invested in information technology. Where did that come from? No. 1, from the reductions in capital gains rates. It encouraged more money to go into the productivity-enhancing work of each business. Chairman Alan Greenspan and other reputable economists agree that if you want to give a boost to the economy, which is sagging, which was not rescued by the last 50 percentage bases point rate reduction by the Federal Reserve, the best thing to do is tax relief, tax reduction. The best kind of tax reduction is the marginal rate reduction.

A few years ago, we agreed 28 percent ought to be the top marginal rate. I think most people, if surveyed over what is the maximum the Federal Government ought to take from anybody's income that they worked to earn, would answer maybe 30 percent. We are not going to come anywhere near that. We will lower that 39-percent bracket, which because of the cockamamie scheme of phaseout of deductions, becomes as high as 44 percent in some areas. We will lower that rate to 36 percent but still leave the top 1 percent of the taxpayers paying more of the total tax burden than they do today. That is very important for our economy. That is very important for the healthy growth of small businesses, improving the balance sheet of families, and strengthening our communities.

Second, we will fix the marriage penalty. It is ridiculous to punish citizens for getting married. We ought to encourage stable households and relieve the burden that comes when two working married partners move into a higher tax bracket than they would if they were single.

Second, we need to fix the death tax by getting rid of it. It is ridiculous for the tax collector to show up at people's weddings. It is even more ridiculous for the tax collector to show up at a funeral.

There was a recent movie, ''Four Weddings and a Funeral.'' For the IRS, four weddings and a funeral makes five taxable events. We fix that unfairness in the budget resolution. We get rid of the death tax that erases an entire lifetime of work and productivity by making small businesses sell out just to pay taxes. We also eliminated the costly burden of inheritance tax planning and insurance costs that put unnecessary drags on small businesses while the owner is still alive and trying to plan around the death tax.

One of the best arguments for getting rid of the death tax is the complexity of the code. Many have had an opportunity to listen to Larry Lindsey. We know the death tax only brings in about 1 percent of the revenue. But think of the significant number of pages in the Tax Code that were put in there to try to shore up the death tax to make sure people could not get around the death tax. Add to that the tens of thousands of dollars that farmers and small businesses have to pay just to figure out how to get around the death tax and you see why it is such a nonproductive burden on the economy.

A farm friend of mine was telling that in his father's final illness they had to spend $97,000 on legal and accounting fees just to try to figure out how to keep the farm together to make it a viable agricultural productivity unit. They wasted $97,000 that could have gone a long way towards a downpayment on a new tractor or other equipment they needed on the farm.

Speaking about the death tax, there is an article in yesterday's Washington Post from four African American leaders calling for the repeal of the death tax. Many fellow citizens have been able to participate in our economy for a long time and have accumulated assets across several generations. For African Americans who are often getting into the economic life for the first time thanks to the civil rights movement and others, the death tax is holding them back. A generation that has finally gotten to enjoy some level of opportunity is finding that the death tax can undo decades of progress.

For example, Robert L. Johnson, chief executive of Black Entertainment Television and an organizer of the campaign, said the group was influenced by recent efforts by very wealthy white Americans such as William Gates, Senior, and members of the Rockefeller family to fight repeal with similar ads.

Johnson said although it might be easier for people who have accumulated assets for generations to support the tax, many African Americans have built up wealth only since the passage of the Civil Rights Act. He goes on to say on behalf of the group that repealing the tax will help close a wealth gap that has left the net worth of an average black family one-tenth of that of the average white family. He also said the group believes the estate tax is a form of double taxation because businesses have already paid taxes on earnings.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 2, 2001]

BLACK GROUP SEEKS REPEAL OF ESTATE TAX

BUSINESSMEN SAY LEVY INCREASES DISPARITY IN WEALTH AMONG RACES

(By Glenn Kessler)

Opening a new front in the battle over the estate tax, more than three dozen African American business leaders this week plan to support repeal of the tax because they say it helps widen the wealth gap between whites and blacks.

President Bush has made repeal of the tax levied on the assets of wealthy Americans when they die a key part of his $1.6 trillion, 10-year tax plan. The House is scheduled to vote Wednesday on a bill that would repeal the estate tax by 2011, and that day the group will run full-page advertisements in major newspapers to make clear its support for repeal. Bush fared poorly among African American voters in the presidential election.

Robert L. Johnson, chief executive of Black Entertainment Television and organizer of the campaign, said yesterday the group was influenced by recent efforts by ''very wealthy white Americans,'' such as William Gates Sr. and members of the Rockefeller family, to fight repeal with similar ads.

Johnson, who said he is worth more than $1.5 billion, said although it might be easy for people who have accumulated assets for generations to support the tax, many African Americans have built up wealth only since the passage of the Civil Rights Act in 1964.

Even then, he said, African Americans often face subtle forms of discrimination, such as difficulty in getting bank loans, and have had to build up businesses by catering mostly to black customers.

Now, Johnson said, this first generation of significant black wealth is threatened by the estate tax. Not only might the tax force the sale of businesses with few liquid assets to pay it, but it also prevents passing on wealth to the next generation, he said.

''Many members of a white family may be wealthy in their own right,'' he said. In the black community, where a business executive may have been the first in a family to go to college, ''all that wealth is in one person's hand, but others are living hand to hand.''

Repealing the tax, he said, will help close a wealth gap that has left the net worth of the average black family one-tenth that of the average white family. He also said that the group believes the estate tax is a form of double taxation, because businesses have already paid taxes on earnings.

About 98 percent of all descendants do not pay estate tax because the first $675,000 of an estate is exempt for taxation, an exemption that is due to rise to $1 million by 2006 under current law. Only 47,500 estates paid estate tax in 1998, the most recent year for which figures are available. Businesses that oppose the tax say preparations for it, such as buying insurance, are costly and a drain on capital.

Johnson estimates he pays about $200,000 to $300,000 in annual insurance premiums, and said insurance costs were akin to ''transferring wealth out of the black community to the majority community.''

Other members of the group include Earl Graves, publisher of Black Enterprise magazine; Ernie Green, managing director of Lehman Brothers Inc.; Ed Lewis, chief executive of Essence Communications; and Dave Bing, chairman of the Big Group of automotive suppliers.

Johnson said the black community's support for repealing the estate tax might give Bush an opening.

''If he's smart, he'd take the opportunity to reach out to these African American business leaders and say, 'We agree on at least one thing. What else can we talk about?' ''

Mr. BOND. I have lots more to say about this budget resolution, and regrettably I will have a chance to say it. But at this point I think it appears that people are here and ready to move on. So I will thank the Chair and yield the floor.

The PRESIDING OFFICER. (Mr. ALLEN). The Senator from North Dakota.

Mr. CONRAD. Mr. President, there were a couple of statements made by my colleague from Missouri that I think require a response.

First, with respect to how much debt can be retired, the President has said only $2 trillion of publicly held debt can be retired. But when we examined the budget offering by my colleagues on the other side, we saw they have reduced the debt by $400 billion over that. Perhaps at some point we could get a clarification on how much debt they intend to pay down because while the President has repeatedly said there is $1.2 trillion that can't be retired, when we examined the budget documents from our colleagues on the other side, we saw they have paid all but $800 billion of publicly held debt.

So there seems to be some conflict within the troops on the other side. Which is it? Is it, as the President says, that there is $1.2 trillion you cannot pay down, or is it as the budget document that has come from our colleagues on the other side says, which is, no, it is not $1.2 trillion, it is $800 billion?

I think the $800 billion comes closer to the truth, by the way, than the President's assertion that you can only pay down $2 trillion of the publicly held debt and that there is $1.2 trillion that can't be retired. Again, the budget document that has been provided by the other side says they are prepared to pay publicly held debt down to the level of $800 billion.

The second point: When we do an analysis, a detailed cashflow analysis on paydown of debt, we find that if you save all of Social Security and Medicare trust funds, you have no cash buildup problem until 2010. There is no cash buildup problem until 2010. So all this talk about you are going to be paying premiums and you are going to be paying foreign debtholders more than they should be paid, that just does not match the facts.

That whole scenario arose out of the notion that we do not have a tax cut, that we do not have any additional spending initiative. But under both plans, under the Republican plan and our plan, there are significant tax cuts and there are spending initiatives. The fact is you have no cash buildup problem until the year 2010, and you may well not have it then because this 10-year forecast may not come true.

So I hope we are not debating kind of in the fog with respect to paying down debt and that some are trying to pay down more debt than is available to pay down. Certainly that is not the case based on the testimony received in the Senate Budget Committee.

Finally, on the estate tax, a point that my colleague made on the other side, we do have a difference on the estate tax. We believe it ought to be fundamentally changed, that it bites at much too low a level on estates. We believe that ought to be substantially changed. We believe a couple ought to be able to preserve $4 or $5 million without having any estate tax; a small business or a farm, $8 or $10 million without paying any estate tax; and we think we ought to phase in those dramatic increases very quickly.

It is interesting; the proposal on the other side does not relieve a single estate of taxation in the next 10 years. Their proposal cuts the tax rates on the wealthiest estates first. I call it the upside down approach. Instead of expanding those estates that are not subject to taxation, our Republican friends have a proposal that cuts the rates on the wealthiest estates first, does not relieve a single estate of taxation over the next 10 years, and makes this promise out there: Well, just be patient; at the end of 10 years we will eliminate it. We will eliminate it. We will eliminate it in the second 10 years right when the baby boomers start to retire and the cost of elimination is $750 billion for that second 10-year period.

I say to my colleagues I do not think it will ever happen. What will happen is, if we go that route, they will come up with another name for another tax and they will put it on and people will have lost the opportunity in this 10-year period to have our plan pass.

Our plan, which would dramatically increase the exemptions for estates, our plan, which would shield $4 or $5 million for a couple, $8 or $10 million for a small business or farm so that they do not pay any estate tax, is significant. It would relieve 40 percent of estates from taxation in the first year. Forty percent of currently taxable estates would be relieved of taxation in the first year. We would relieve two-thirds of all taxable estates from any taxation over the 10 years of this budget plan.

Contrast that to what the Republicans have. They do not relieve a single estate of taxation in the next 10 years. They cut the rates on the wealthiest estates first. I don't know where they came up with that plan, but I don't think that plan is going to enjoy much popular support. It certainly does not in my State.

We are now ready to turn to amendments.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield myself time off the budget resolution. I yield myself up to 10 minute, Mr. President.

First I want everybody to know that while my friend who is managing on the Democrat side might choose to answer every detail of research given on this side, I am not going to do that in reference to what he talks about in the Chamber. I will every now and then indicate why I think it is wrong.

I want to make sure we start with everybody understanding what the Republican budget proposal is. I am pleased to have the other side say they would do it differently. But I want to make sure everybody in the country understands that based upon the regular budget concepts that we have been using now for a long time with reference to what is within a budget, what is not within a budget: This is the budget. It is very simple. I don't want to say it is right because I have just asked that perhaps the other side not be so dogmatic and say right and wrong. But I would say it is what the President asks us to do, with a few changes.

Frankly, it is a very good budget, if you want to give the American people, the average family, a substantial portion of this surplus; if you want to give that back to them so they can spend it for themselves as they see fit, perhaps sitting around a table saying we are going to get $1,600 back, we are going to get $1,200 back, which is the average in my State; $1,600 is the average in Texas. They are going to say every year we are going to get that much; what can we do with it? Frankly, I will trust any choice they make sitting around that table rather than us keeping it up here in the Federal Government and making that choice for them.

This is a very basic budget. I am sorry it was prepared when we were still meeting in small rooms. So next time we have it, it will be very big so people will not have to strain. I told them order it twice as big so it will not be so tough for me to explain it.

Everyone agrees if you use the Congressional Budget Office estimates, which we are bound to do—and incidentally, to my friend, the ranking member, when he asked about the debt service and how do we get at these numbers, there is a simple answer: We use the Congressional Budget Office estimates. So that question of us, How do we get the debt service paid like we are? The Congressional Budget Office estimates, which we are supposed to use.

The Congressional Budget Office has estimated a $5.6 trillion surplus. Everybody starts with that over 10 years. I want to editorially comment on it.

There has been some talk about should we use that number. Let me make sure everybody knows what I think. I think absolutely we should use that number because, if you look at what they tell us, what the CBO tells us, the Congressional Budget Office, they say using modest economics, modest productivity, modest growth, and assume a couple of downturns over the next decade, that is the number they recommend.

All the other business about it could be four times higher and it could be three times lower—they are telling us that might happen. But then you ask them: But what do you recommend? That is what they recommend. That number. That means in the next decade that is going to be sitting around up here, not being needed to pay for the ordinary operations of Government—unless we choose it as an opportunity for spending and we say we are going to spend a bunch of money. Then that will come down. We will not have that much. We will tell you what we think we ought to spend because we think it is right.

Next, take out all the Social Security money, everything that is supposed to go toward the debt on Social Security. I don't think there is any argument there, that is $2.5 trillion. Then what we call the rest of the Government surplus, $3.1 trillion—the rest of the Government surplus.

Then the President of the United States has asked us to approve a budget resolution that says the committees that write the taxes can lower taxes up to $1.6 trillion. Interestingly enough, my friends in the Senate, and anybody else who is interested, this budget resolution does not tell us which tax cuts are going to take place. So when we get up and say we know what the Republicans' tax proposal will be, we know what the Democrat's tax proposal will be—not so. We don't know because the tax-writing committee will write whatever they want with reference to tax cuts, and make sure they do not exceed $1.6 trillion. That is all we are doing in this budget.

If you want to talk about whose estate tax is better, you have to work on that in the Finance Committee when you write up the bill. When you talk about which kind of marginal rate cuts you are going to have, they will continue to say Republicans want to cut the taxes for the rich. We say we want to cut everybody's marginal rates and, in fact, for those in the middle-income area, they get a rather substantial tax cut, each and every one of them, because their marginal rates are going to be cut. But that may not happen because the tax-writing committee will write what they can work out among themselves.

The next amendment will be offered by the ranking member of that Finance Committee. He cannot stand up here and say this is what the Republicans say they are going to do in the Finance Committee and I know they are going to do it. He is probably going to say, whatever you say to him, we are going to work our will and he is going to be part of that working our will.

Next, available for other priorities—$1.5 trillion. Identified priorities: Medicare, prescription drugs $200 billion, the surplus for Medicare, for Part A, is $400 billion, and the debt service that it causes is $400 billion.

The important thing is, no matter what is said on the other side, under our budget there is $1/2 trillion—$500 billion—that is not spent. It goes nowhere. It is there to be used as a contingency fund over the next 10 years. That is it, plain and simple.

The other side may choose to put in some other numbers. They have another place they want to say we are going to put $700 billion because we are waiting around for somebody to draft up a program that will let people, independently, invest in investment accounts.

The point of it is last time I saw that it was part of Social Security reform. The last time I heard about it, it disappeared from the horizon, it seems to me, until the stock market comes back. A lot of other things are not dependent on that stock market, but you come down here to try to sell an overhaul of the Social Security system that includes investing money now in independent accounts that involve the common stocks of America, I think it would be a logical thing going through everybody's head, why don't we wait a year or two? I think that is what is going to happen. I wish it was not. So this is what we normally put in a budget. We believe it is a good budget for the American people.

Having said that, I want to make sure everybody knows that, plain and simple, as this Senator sees it, every time we get close to giving the American people a large sum of the surplus back so they can use it, a new project, program, or activity is invented by the other side to spend it. It is presented with great, great ardor, with great effectiveness. All of a sudden, something that was never used before in a budget, never thought necessary, as soon as we get close to giving those American people a big tax break up pops another one: Here is $700 billion you ought to set aside for something else. Here is $500 billion more you should spend on Medicare plus agriculture.

Just remember, those who are listening, you will hear many things. But for the most part, it will be: We have found some way to use more of this surplus for Government purposes rather than for individual purposes. Up pops the spending, up pops the new idea that will restrain what we can give the taxpayers of America.

I have been at it a long time. I was one who stuck with it to get balanced budgets. I believe this is fair. I believe we are going to have a balanced budget, we are going to keep a balanced budget, we are going to pay down the debt as much as you can, and we are going to end up giving the American people back some of their money. That is a very simple plan. The President offered it and it was pretty good.

I yield myself 2 more minutes.

Remember that all of these proposals build on a budget that the President sent that has a 4-percent increase built into it, and for the decade almost has 4-percent growth every year. All of that is taken for granted. Everybody should understand that. Then whatever people are offering on top of that means more than 4 percent which means less tax reform and less tax rebates, less tax cuts.

The budget before us does one other good thing. It says, tax-writing committees, you can use $60 billion out of this year's surplus as this year's stimulus so long as you fix the marginal rates so that you get a double whammy: current stimulus and a permanent fix for the American economy and its performance over time for the American people who are sitting around about now paying their taxes. We are saying to them: We want your taxes to be less; we want to give you some back. In addition to the stimulus, we want to prepare the economy for long-term growth.

I yield the floor. I understand the other side has an amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I listened to my colleague.

First of all, let me say that I have enormous respect for the chairman of the committee. He is a good chairman. He is a fair chairman. But we do have a significant difference of opinion with respect to the budget that is before the country.

The chairman believes that the size of this tax cut is the appropriate way to go. He tries to poster it as a question of spending versus tax cuts. But that is the old debate. That is the tired debate. It doesn't relate to the facts of their budget.

It is not the proposal that we have made. The fundamental difference is we have reserved 70 percent of the money for short-term and long-term debt reduction. They reserve, under the President's plan, about 35 percent of the money for debt reduction.

The fundamental difference is not a difference between taxing and spending. The fundamental difference is a question of do we do more debt reduction as we advocate or more of a tax cut as they advocate?

We have a substantial tax cut but one that is half as big as theirs because we reserve the difference for money to deal with our long-term debt that is primarily Social Security. We say: Look, we have had the Comptroller General of the United States come and tell us the situation we face.

The Social Security and Medicare trust funds face cash deficits as the baby boomers retire. Yes, we are in surplus today, but we are headed for deficits tomorrow. We say in our plan that we ought to set aside some of their money they want to use for a tax cut to deal with the long-term debt crisis facing our country.

That is the difference. That is the big difference between their plan and our plan. They want it all for a tax cut. We want half of it for a tax cut, and we want half of it to begin to deal with our long-term debt crisis that is facing this country.

If we want to strengthen Social Security for the future, we have to have resources to do it, whether it is individual accounts as many on their side advocate, and some on our side, or whether it is the Social Security Plus plan advocated by Vice President Gore in the Presidential campaign or whether it is the privatization plan that their President advocates. From where is the money going to come?

The chairman of the committee puts up a chart. You can't find a single dime set aside to strengthen Social Security for the long term—not one thin dime. You can't find a penny to deal with this long-term debt problem, not a penny.

That is the difference between us.

We reduce the size of the tax cut so that we have resources to strengthen Social Security for the long term to deal with this long-term debt crisis.

Look at what we are told. The Social Security and Medicare trust funds start to run into massive deficits in this second 10-year period.

Let me conclude. When they say this is a question of the Democrats just wanting to increase spending, no, this isn't a question of Democrats just wanting to increase spending.

Let's go to the facts. The facts are under our plan the Federal role will continue to shrink. Last night the Senator from Texas said facts are stubborn things. Indeed they are.

Here is our spending proposal. The role of the Federal Government would continue to decline. In fact, it would go to the lowest level since 1951 under our proposal. This is not increased spending. This is reducing the role of the Federal Government so more resources can be dedicated to debt reduction—both short-term and long-term under our plan.

That is the fundamental difference between these plans.

Our friends on the other side want to take all of the non-trust-fund money and put it out for a tax cut. We say, no, that is not wise. Yes, half of it could be used for a tax cut, but half of it ought to be used to deal with our long-term debt crisis; that we ought to strengthen Social Security for the long term.

That is the fundamental difference between these plans. And it is a profound difference. It recognizes, No. 1, the uncertainty of the forecast. Any 10-year projection is uncertain.

More than that, it recognizes that at the end of this 10-year period, the baby boomers start to retire. These surpluses turn to deficits, and we have an obligation to deal with that long-term debt. We have reserved $750 billion for that purpose. That money could go into individual accounts.

When they talk about money going back to the people, you add up our tax cut and the money that is available to deal with long-term debt, which happens to be the people's debt—we talk a lot about the people's money; it is also the people's debt—you have the people's short-term debt and the people's long-term debt. We say let's reserve 70 percent of the money to deal with the people's short-term and long-term debt.

Our friends on the other side want to take all the non-trust-fund money and use it for a tax cut. They don't want to reserve one single dime to deal with this long-term debt crisis facing the country, not a penny. There is no money reserved for the long-term debt situation of the country.

They will say we reserve the Social Security trust fund money. Good. That is a good start. But what do you do next? What do you do after you reserve the money for the Social Security trust fund and the Medicare trust fund? Do you provide a single dime? Is there a single penny in there to deal with the long-term crunch that we all know is coming? No, not a penny.

They are getting ready to take it out of the Social Security trust fund, which, of course, will just move up the date of insolvency for the Social Security trust fund.

We say reserve every penny of the Social Security trust fund for Social Security, every penny of the Medicare trust fund for Medicare, and out of what is left take $750 billion to strengthen Social Security for the long-term to deal with the long-term debt that is facing this country.

This isn't a question between taxes and spending. No. It is part of it because there are places where we think more resources could be reserved for a prescription drug benefit, to improve education, and to strengthen national defense. But we also believe most of this projected surplus ought to be dedicated to debt reduction, short term and long term. And we do twice as much as they do.

That is a simple truth. That is the simple difference. It is a big difference for the future of this country.

We are going to go to our first amendment and Senator BAUCUS.

The PRESIDING OFFICER (Mr. BOND). The Chair recognizes the Senator from Montana.

AMENDMENT NO. 172 TO AMENDMENT NO. 170

(Purpose: It is the purpose of this amendment to establish a prescription drug benefit under Title XVIII of the Social Security Act, without using funds generated from either the Medicare or Social Security surpluses, that is voluntary; accessible to all beneficiaries; designed to assist beneficiaries with the high cost of prescription drugs, protect them from excessive out of pocket costs, and give them bargaining power in the marketplace; affordable to all beneficiaries and the program; administered using private sector entities and competitive purchasing techniques; and consistent with broader Medicare reform)

Mr. BAUCUS. Mr. 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 Montana [Mr. BAUCUS], for himself, Mr. ROCKEFELLER, Ms. STABENOW, Ms. MIKULSKI, Mrs. MURRAY, Mr. DAYTON, Mr. WYDEN, Mrs. CLINTON, Mr. REED, and Mrs. CARNAHAN, proposes an amendment numbered 172 to amendment No. 170.

Mr. BAUCUS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BAUCUS. Mr. President, this amendment is very simple. It provides the funds necessary to establish a good, solid prescription drug benefit in the Medicare program for our seniors and disabled. That is what it does. It is not excessive. It is not gold plated. It is not, frankly, the total benefit that some of our seniors would like. But it is a good, solid benefit—coverage that would meet the commitment that so many of us have made so many times to our seniors.

To offset the cost of the new benefit, the amendment would make a very modest reduction in the size of the proposed $1.6 trillion tax cut. It would be very modest.

Let me put this amendment in perspective. Medicare was enacted in 1965. Since then, the practice of medicine has changed dramatically. No one doubts that. Today, more often than not, medicine involves not only a trip to the doctor, but a trip to the pharmacy to pick up a prescription drug as part of therapy.

At the same time, we all know that drug prices are rising very fast. In the year 2000, drug prices rose by 11 percent. Since 1990, prescription drug spending has more than tripled.

Let's go beyond the statistics and look at the effect on real people. Take the drug Prilosec. It is used to treat ulcers and digestive problems. If you don't have health insurance, it might cost you $1,400 a year. If you are a senior citizen living on Social Security payments of about $10,000 a year—and many seniors are—that is more than 10 percent of your income on one prescription. I ask you, how many seniors have only one prescription? Virtually none. They have several. They have to.

Or take Lipitor, which is used for diabetes. It costs $680 a year. For Procardia, which is for hypertension, it costs $900 a year. And the list goes on.

The result is that Americans who do not have drug insurance coverage pay the highest prices for prescription drugs of anyone in the industrialized world. Let me repeat that statement. It is startling. Americans who do not have insurance coverage pay the highest prices for prescription drugs of anyone in the industrialized world. I think that is something we do not want to continue.

We are not talking about relatively a handful of people. Over the years, as the importance and expense of prescription drugs has grown, more and more seniors have been affected. Today, about 35 percent of Medicare beneficiaries lack direct coverage for outpatient prescription drugs—35 percent. And that probably understates the problem.

For example, one study has shown that only about 50 percent of seniors have drug coverage throughout the year, and for many who do have coverage, it is often limited, inadequate.

In rural areas, it is even worse. There the problem is particularly severe. In my State of Montana, 76 percent of Medicare beneficiaries live in rural areas. A National Economic Council study of last year showed that rural beneficiaries are 50 percent less likely than their urban counterparts to have drug coverage.

Here is another way to look at it. Rural Medicare beneficiaries use 10 percent more prescriptions than the people in the cities, but they pay 25 percent more out of pocket for their drugs. They are more likely to use drugs but pay more than 25 percent out of pocket than people who live in cities.

This lack of coverage is reflected in the letters I receive every day. And I am sure you, Mr. President, and every senator in this body receives letters very similar to what I am going to read. For example, a woman from Columbus, MT, a rural part of my State wrote:

Senator Baucus, it is so vital to me and thousands of other senior citizens that prescription drugs be put entirely under Medicare. I drew $5,890 in Social Security in the Year 2000, and my prescription drugs cost me $7,514. . .so you can see it is a struggle to keep things paid.

She paid a lot more in drugs than she got in Social Security benefits—a lot more, almost a couple thousand dollars more.

And I heard this from a senior citizen in Havre, MT. She wrote:

Senator Baucus, I am a senior citizen on a fixed income. I take medication to deal with anxiety. That medicine used to cost me $20; now it costs me almost $60. Something should be done about this.

How right she is. In fact, I will bet virtually everyone in this Chamber agrees, something should be done about this.

That is where the budget resolution comes in. Simply put, the budget resolution proposed by the Senator from New Mexico does not go far enough. It does not set aside funds that are needed, funds to support a solid prescription drug program. In other words, it sells our seniors short.

I will be more specific. The budget resolution sets aside about $153 billion over 10 years for a new prescription drug program. That tracks with the President's proposal, the so-called ''immediate helping hand.''

I am not critical of the President, nor am I critical of the senator from New Mexico. Their proposal is a start. It acknowledges the need to expand prescription drug coverage. It makes a good-faith effort to get there. But even though it is a start, it has two very significant problems that have to be remedied. First of all, the budget resolution does not even cover the cost of the President's proposal. CBO now estimates the President's proposal would cost $207 billion over 10 years. So the budget resolution is more than $50 billion short. The chart behind me shows that; that is, the budget proposal offered by the Senator from New Mexico falls short and does not even do what the President's helping hand suggestion purports to cover. So it fails in that regard.

Second, we probably all know that the President's proposal in and of itself isn't going anywhere. Even it is too short. It is not enough. When Secretary Thompson had his nomination hearing before the Finance Committee, there was a lot of talk about prescription drug proposals. But not a single member of the committee spoke up to support the President's proposal. Why? Because it was so inadequate.

That is not surprising. The proposal has several defects. One, it requires States to implement a new program they do not want. It also delays many tough decisions on Medicare reform.

Most significantly, it leaves half of all seniors behind, without coverage. Anyone with an income above $20,000, for example, if they do not have prescription drug coverage now—as I mentioned, about 35 percent of American seniors do not have a plan. They will not have it under the President's proposal.

This chart behind me shows in the circle all of the seniors now not getting prescription drug coverage. On the left, is the helping hand provision. About half the seniors will be covered under the helping hand proposal. The black on the far right shows about half of the seniors would not get coverage under the proposal.

Now, it could be argued that the budget resolution does not lock in the President's proposal. After all, it does not mandate any particular approach. It just establishes the overall funding. True. At the same time, it is clear that if we set aside only $153 billion over 10 years, we will not be able to write a prescription drug coverage bill that goes far enough to provide universal coverage to all our seniors.

Here is what the head of the CBO told our committee two weeks ago:

> [A] universal benefit would be a pretty thin benefit . . . . If you're going to spread $150 to $160 billion over the entire population, it won't provide a great deal for any one person.

He is commenting on the helping hand proposal offered by the President. So whether you focus only on the President's proposal or more broadly on what you could accomplish for $153 billion , the budget resolution is obviously much too short.

The amendment that Senators GRAHAM, KENNEDY, and I have offered is designed to address this shortfall. How do we do it? We do it by providing more resources from the budget surplus for prescription drug coverage. It basically doubles the amount that is available from $153 billion to $311 billion. By doing so, the amendment gives us room to design a good, solid prescription drug program, something that is going to work. We don't want to pass something so inadequate that not only is it paltry, but it just won't work. It would be disingenuous. It would be a false promise to our seniors. We have to do enough that works. Not a gold-plated program, but a solid one.

To offset the cost, our amendment reduces the size of the tax cut by $158 billion, or about 10 percent. Since $153 billion is already provided for in the budget, we take $158 billion out of the tax cut, totaling about $311 billion. That is our amendment. That still allows us plenty of room to cut tax rates, reform the estate tax, the marriage penalty, and other necessary changes to the code.

Some will argue that a $1.6 trillion tax cut is the Holy Grail. It is sacrosanct. We can't touch it. It is locked in stone. It is almost in the Constitution. That is what we hear, that we must pass a tax cut that large at all costs, regardless of the consequences, regardless of the other important priorities that would have to be shunted aside. I disagree.

The process of writing a budget resolution is a process of setting priorities. A large tax cut is an important priority, but so is the health and welfare of our senior citizens. So I ask the Senate to strike a balance, and that is precisely what our amendment does.

Mr. President, we may hear a counterproposal, a second-degree amendment to accomplish some of the same objectives by taking the money out of the so-called contingency fund, rather than by reducing the proposed tax cut by $158 billion. This is an honest debate. Where do we get the money? Do we take it out of the contingency funds, or do we take it out of the tax cut? That is the question with which this body is confronted.

We know that the contingency fund has been accounted for by as many times as there are Senators in this body and more than that, because each Senator has different ideas how to use that contingency fund.

That contingency fund is not going to be there. Let me indicate why. If you take the final amendment in the contingency fund presented by the Senator from New Mexico, he said it is about $450 or $500 billion—I am not sure exactly which—here are some of the claims against the contingency fund in various ways: uninsured benefits, people want to start providing a benefit for the 43 million Americans who are uninsured; the alternative minimum tax, what is that going to cost us? That is going to cost us $200 to $300 billion. We all know we are going to fix the alternative minimum tax defect. Extenders, tax extenders, not in the budget, another $200 billion. Already that is close to $600 billion.

Business tax breaks, does anybody here think there are not going to be some business tax breaks in this bill, say $200 to $300 billion? Agriculture, that is not in here. Disaster assistance, that is not in here. That is about $100 billion over 10 years. Education, $150 billion; missile defense, possibly another $200 billion. There is just so much in here or not in here that if we honestly look at the tradeoffs, either reducing the tax cut by $158 billion or using the contingency fund for a prescription drug benefit, it is clear where the money is going to be and where the money is not going to be.

I know many Senators in this body think they can't touch the $1.6 trillion tax cut. That it is just a given. But nothing is a given around here. We are here to make choices. We are here to represent our people. I will bet dollars to doughnuts that if you were to ask all of the people in your State, and if every senator were to ask all the people in their own States, what do you prefer, a $1.6 trillion tax cut with no prescription drug benefit, except a very modest one that won't work, or a tax cut reduced by $158 billion for a real honest-to-goodness prescription drug benefit that will work, we all know what the answer to that will be. People will say: Of course. That is such a modest nick in the tax reduction for something so good and so needed. There are so many seniors destitute and down and out who need prescription drug help. That is a no-brainer.

Compare that with asking: Should we try to get the benefit out of the contingency fund? We all know, we are adults, we have been around here a while, that is kind of a phony issue, that contingency fund, because everybody knows the claims on it are more than the number of senators in this body.

Let's do what is right. It is a very modest reduction in the President's proposed tax cut, a modest reduction that clearly makes sense. I ask senators to forget what the party ideology says for a moment. Maybe just for a nanosecond, someone might say: Gee, that is a good thing to do.

In so saying, I urge senators to support the amendment offered by myself and Senators GRAHAM and KENNEDY, reserve the remainder of my time, and yield to the senator from Florida.

Mr. REID. The time would be off the bill, Mr. President.

Mr. CONRAD. Mr. President, may I indicate that Senator GRAHAM's time will come off the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, before I turn to the specific issues raised by the amendment offered by my friend and colleague from Montana, myself, and others, I will make a couple of general comments about the context of this discussion of the budget resolution.

We are looking at the world as if it ended exactly 10 years from the end of this fiscal year. That is a very artificial restraint.

At a meeting of the Senate Finance Committee on March 29, a former Director of the budget office during the administration of the first President Bush made this statement in response to a question about the artificiality of the 10-year limit. Dr. James Miller stated:

> I think the timeframe does matter. We sort of lull ourselves into, when I was budget director, in 5-year timeframes, and now you are looking at 10-year timeframes, and it is appropriate to look beyond that. And what we know, of course, is that they'll be running big surpluses until about 2020, whatever. And then we will be running deficits again.

During that hearing, I used the important historical fact that on March 30, my daughter Suzanne's triplet daughters had their sixth birthday. I can report it was a happy celebratory occasion. If my daughter and her husband were to view the economic consequences relative to their triplets as we are about to do with this budget, they would stop the clock 10 years from now when their triplets had their 16th birthday. That would give a very false impression of what the true cost of raising triplets in the 21st century is going to be because 2 years after their 16th birthday will be their 18th birthday, the year in which, hopefully, they will all be entering college. Any family who has some idea of what college costs for one child in the year 2001 can calculate what the costs are going to be for three children and project what they are likely to be in another 12 years from now.

In many ways our Nation is similar to my daughter's family. We have some very big expenses that are coming just beyond this 10-year timeframe. What is driving those big expenses is a contract. Actually, it is a series of contracts between the American people and their Federal Government.

Those contracts provide that when Americans reach retirement age, they will become eligible for economic assistance in the form of Social Security, a contract they have been paying for throughout their working life through a payroll deduction plan, and they will also become eligible for Federal assistance in paying their health care costs, a contract which in part, through the Part A hospital trust fund, they have also been paying for throughout their working life.

The numbers of Americans today who are cashing in that contract are relatively modest. I happen to be 64. In November of this year, I will become fully eligible for Social Security and Medicare. When I become eligible, I will place a relatively modest burden on the trust funds because, frankly, there were not a lot of people born in 1936. It was the depth of the Depression and most people did not see that as a propitious time to be adding to the size of their family.

Right after World War II, Americans started having babies in record numbers. It is those babies who will begin to become eligible for Social Security and Medicare in about the year 2011, just after this 10-year window shuts down, and they will rapidly increase in numbers. As Dr. Miller said, by the time of 2020, whatever, then we will be running deficits again.

In my judgment, the context in which we need to look at all of the issues we are discussing is not the 10-year context but the generational context of the next 25 years so that we will be taking into account this enormous number of Americans who will be eligible for the contract rights they have been paying for in Social Security and Medicare.

Another thing is going to be happening to that population. Not only will it be reaching retirement age, but that generation is going to start living longer. The average life expectancy of an American when Social Security was established in the mid-1930s, after one reached 65, was about 7 years. Today, the average age for an American female who reaches 65 is almost 20 years, and it is almost 16 years for an American male.

During this century, those ages beyond 65 will continue to grow. So we are going to have a much larger population over 65 and that population will live substantially longer, placing additional economic challenges to the Federal Government.

In my judgment, the key step we should be taking now to prepare for that is to save every dollar of the trust funds of Social Security and Medicare for their intended purposes. We should do this to the maximum extent possible by paying down the national debt, and then we need to be creative after we have reached the point that we have paid off the national debt fully or to the extent feasible, as to how we can continue to reserve those funds so that they will be available when this tidal wave of retirement comes in the next decade.

Those are some of the contexts for the discussion on the issue that will dramatically affect this generation that will soon be retiring, and that is the quality of the Medicare program they will become eligible to receive.

I strongly support the addition of a prescription drug benefit to Medicare. Frankly, if anyone were to suggest that a Medicare program be fashioned today and not include prescription drugs, they would be considered to be a dinosaur in terms of what is a modern health care system.

This belief that Medicare should include prescription drugs is now widely accepted by the American people. Both the candidates for President in the year 2000 committed to work for a prescription drug benefit for older Americans.

I have been conducting a poll on my Senate Web site for over a year on the question of Medicare prescription drugs. The first question we ask is, Should Medicare coverage include a prescription drug benefit?

I have no professions as to the statistical appropriateness of this poll. It is just anybody who logs on to our site and takes advantage of the opportunity to express their opinion. But of those who have done that—this, as I said, represents over a year of citizens who have taken advantage of this poll—88 percent have answered the question: Yes; Medicare coverage should include prescription drugs. I think that is close to representative of what the American people believe about this issue.

The challenge is before us this week to make a determination: Are we going to provide in this budget resolution a sufficient amount of funds to provide an affordable, comprehensive, realistic prescription drug benefit within Medicare?

I submit the proposal which is contained in the budget resolution as submitted is not an adequate proposal to provide that comprehensive benefit.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAHAM. I ask for an additional 10 minutes.

Mr. CONRAD. We will be happy to provide the Senator an additional 10 minutes off the resolution.

Mrs. HUTCHISON. Mr. President, the Senator intends to take 10 more minutes; is that correct? May I ask, then, that following the Senator from Florida, I be able to speak for 15 minutes.

Mr. KENNEDY. Reserving the right to object, and I do not intend to object, but I have a similar request; that I follow the Senator from Texas.

Ms. STABENOW. I also ask to follow the esteemed Senator from Massachusetts.

Mr. CONRAD. Perhaps we can propound a unanimous consent request. Mr. President, I ask unanimous consent that the Senator from Florida, Mr. GRAHAM, continue for 10 minutes; then turn to the Senator from Texas, Mrs. HUTCHISON, for 15 minutes; then go to the Senator from Massachusetts, Mr. KENNEDY, for 15 minutes; and then go to the Senator from Michigan, Ms. STABENOW, for 10 minutes.

The PRESIDING OFFICER (Mr. ENZI). Is there objection?

Mr. BAUCUS. Mr. President, reserving the right to object, my understanding is there are 7 minutes remaining on the amendment. I want to reserve 5 minutes on the amendment.

Mr. FRIST. Mr. President, reserving the right to object, are we alternating back and forth on the sides? I did not hear the unanimous consent request.

Mr. CONRAD. There were no requests on the Senator's side. We can certainly do that.

Mr. FRIST. If not, I want to be inserted wherever convenient following Senator HUTCHISON, if we are alternating back and forth.

Mr. CONRAD. I amend the unanimous consent request to 10 minutes for the Senator from Florida, then 15 minutes for the Senator from Texas, then back to our side for 15 minutes to the Senator from Massachusetts. How much time does the Senator from Tennessee want?

Mr. FRIST. Twelve minutes.

Mr. CONRAD. Twelve minutes to the Senator from Tennessee, and then come back to the Senator from Michigan for 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAUCUS. I have 5 minutes.

Mr. CONRAD. The Senator from Montana had previously requested and, as I understood it, reserved 5 minutes off the amendment. All of these other times are off the resolution on our side. On the Republican side, I am assuming they will be off the amendment.

Mrs. HUTCHISON. Off the resolution.

Mr. CONRAD. Off the resolution.

Mr. BAUCUS. I suggest, frankly, under the rules, each side has 30 minutes. This side has virtually used up 30 minutes, and none of the time has been used on the other side. My suggestion is during this debate we also use time off the amendment as well as time off the resolution, but we start first with the amendment and then the resolution so that is taken care of.

Mrs. HUTCHISON. That is not my intention. My intention is to take time off the resolution.

Mr. CONRAD. I repeat my unanimous consent request and we reserve 5 minutes off the amendment for the Senator from Montana.

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

The Senator from Florida.

Mr. GRAHAM. The amendment on which we are debating provides $153 billion in new budget authority in outlays for a prescription drug benefit for the period 2002 through 2011. As my colleague, Senator BAUCUS, has already indicated, the assessment of the plan that President Bush has submitted would be that it would have a cost over that 10-year time period of $207 billion. So the amount of money requested in the budget resolution would not even be adequate to finance the barebones, available only to low-income elderly, high-deductible plan that President Bush has recommended.

If we were to try to take his plan and stretch it as he states he will attempt to do during the last 6 years of this 10-year period to cover all Medicare beneficiaries, the effect of that would be to provide a plan which could require as much as a $1,750 deductible before any beneficiary was eligible for payment under the prescription drug benefit.

As Senator BAUCUS has already demonstrated, the Director of the CBO has described the attempt to stretch a universal benefit under the amount of dollars available as not providing a great deal for any one person.

There is a second defect in this plan in addition to its inadequacy. That is the fact that it purports to use Part A funds as the means of paying for this prescription drug benefit. That is quite directly stated in the plan which has been passed by the House, where their budget resolution specifically says prescription drugs will be paid through the Part A trust fund.

The Senate resolution is not that explicit, but as you go through the analysis provided by the Senator from North Dakota and the Senator from Montana, you inevitably come to the conclusion that the proposal is to switch the Part A trust fund surpluses to a contingency fund and then use that contingency fund for a variety of purposes, including the payment of prescription drug costs to the Federal Government.

The Part A trust fund is one of those contracts between the American people and their Federal Government. That Part A is intended to pay for hospital costs, not for other costs. If we are intending to add to the Part A trust fund a new obligation to pay for prescription drugs, then we are going to have to ask ourselves how are we going to provide the additional dollars that will be required for the Part A to be able to meet its current obligations of paying hospital costs and take on this new, nonactuarially balanced responsibility for prescription drugs.

I believe this amendment being offered presents the opportunity to tell the American people we are serious about providing a prescription drug benefit and that we recognize the urgency of doing so.

Today, prescription drug benefits for older Americans, which have traditionally been provided from other sources, are rapidly declining. There are four areas in which, traditionally, Medicare beneficiaries have received some prescription benefit. Medigap, which is the purchased insurance, is becoming so expensive that fewer than 5 percent of the Medicare beneficiaries today are purchasing it. Managed care has been dramatically reducing prescription drug benefits. In my State of Florida, it is common for there to be a $500 per year maximum of prescription drug benefits. Many elderly use that in less than 2 months.

Retiree plans are becoming less prevalent and less generous, and Medicaid—my State of Florida is an example has restricted prescription drug benefits to just three medications.

In every area, the places that the elderly have looked to in the past for benefits are declining. At the same time, the cost of drugs is rapidly increasing. The average yearly drug spending per Medicare enrollee today is $1,756. This is projected to increase to $4,412 by the year 2010.

The time is urgent. We face this issue of the necessity of providing a meaningful prescription drug benefit for older Americans, and to do so through the Medicare program. What would be the outline of an appropriate plan? I think an appropriate plan would have the following characteristics: It would be voluntary in the same way the physician benefits which are currently provided through Part B of Medicare are voluntary. It would be comprehensive. It would be available to all Medicare beneficiaries. It would be adequate.

Today, the physician component of Medicare is paid 75 percent by the Federal Government, 25 percent by monthly premiums. I propose for this prescription drug benefit it be an equal, a 50/50, division of responsibility between the Federal Government and the Medicare beneficiary.

Projections have been that at that level of support we could anticipate substantial voluntary participation in this plan, sufficient participation to maintain its actuarial soundness and to avoid the cherry-picking or adverse selection of only those who were the most in need. This would be within Medicaid—hopefully, a reformed Medicare. It would use an insurance model. It would emphasize to people that this is not just a dollar-for-dollar exchange for products you know you will purchase. It also represents a transfer of the risks that you might become seriously ill and your prescription drug costs dramatically increase.

We would provide for a deductible at the beginning of the process, but also very important, a stop loss, once you have expended $4,000. At that point, the Federal Government would pay the full cost of your prescription drugs.

We believe this is an affordable plan. Last year, a plan with these characteristics was costed as $245 billion for a 10-year period. Today, it is estimated that the same plan will cost $311 billion for 10 years, which is some indication of how rapidly prescription drug costs, particularly those drugs that are most used by older Americans, have been increasing.

The American people want and expect this Congress will provide a prescription drug benefit. They have a right to expect that benefit will not be a sham, that it will provide meaningful, comprehensive, adequate coverage for all seniors who elect to participate in this program. They have a right to expect it will not be done at the sacrifice of their current contractual expectations in terms of hospital benefits. Those hospital benefits have been paid for over the years in their payroll taxes. This is not the time to raid that fund to try to finance a prescription drug benefit. It should be done through a combination of general revenue Federal funds and the premiums paid monthly by the beneficiaries on an equally shared basis.

That is what our amendment will finance. I urge my colleagues who are serious about telling their constituents they voted for a prescription drug benefit to vote for this amendment.

The PRESIDING OFFICER. The Senator from Texas.

ORDER FOR RECESS

Mrs. HUTCHISON. Mr. President, I ask unanimous consent the Senate recess from 12:30 to 2:15 for weekly party conferences to meet and the time be counted equally with respect to the budget resolution.

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

Mrs. HUTCHISON. Mr. President, I rise today on the resolution itself. I am very proud of the budget resolution that has been produced. I commend Senator DOMENICI for his leadership in making sure we address all the needs of our country in the most responsible way. I want to address the basics of this resolution: debt reduction, tax relief, protecting Social Security and Medicare, and increasing spending in our priority areas.

Every household and every business in America increases spending in some areas and decreases spending in some areas because you set your priorities and you decide what you want to spend more money for and what you care less about and would not increase for the following year. That is what has been done in this budget resolution.

First, let's talk about debt reduction. This budget resolution provides for the largest and fastest debt reduction in the history of our country. We will pay off $2.3 trillion of our $3.2 trillion in publicly held debt over the next 10 years. Not only is this an aggressive schedule, but it is the maximum debt reduction possible unless we want to pay a penalty, which would not make economic sense. So without penalties, we are paying down this debt to the maximum extent possible.

Under this budget resolution, the Government's publicly held debt will decline from 35 percent of the gross domestic product to 7 percent in 2011, the lowest level in 80 years. By comparison, the publicly held debt was 80 percent of the gross domestic product in 1950, following World War II; it was 42 percent of gross domestic product in 1990, following the cold war; and by 2011, under this budget track, it will be 7 percent. That is a healthy debt ratio and most certainly a healthy reduction.

Tax relief. We are going to have $5.6 trillion in surplus over the next 10 years. We are proposing to divide that right down the middle and set aside all of the Social Security and Medicare surplus so that those items will only be spent for those two very important programs. But of the other half, which is the income tax withholding surplus, which means that people are sending $2.5 trillion more to Washington than we need to fund the current programs, we want to return $1.6 trillion, leaving approximately $1 trillion for added spending because we are going to add spending in our priority areas.

The overall budget increase is 4 percent. There will be more in some areas such as public education—11.5 percent—and there will be less in some areas. There will be dead even expenditures 1 year to the next in some areas. In some cases, projects have already been finished and they do not need more funding.

So we are taking the responsible approach of saying $1.6 trillion goes back into the pocketbooks of the people who earned it. What is going to happen with that $1.6 trillion? That money will go back into the economy, either through spending, savings, or investment, all of which is better than having it sit in Washington doing nothing for the economy. In fact, some economists say it is a drag on our economy to have this big a surplus sitting in Washington, doing nothing. It is better to be in the pocketbooks of the people who earned it so it will go back into the economy and create the jobs and the prosperity that will keep the economy strong.

We are talking about a $5.6 trillion tax relief package. But Senator DOMENICI, to his great credit, came up with the idea that we are watching the economy stagnate right now. So why don't we take $60 billion, which is the surplus we have available right now, and give it back to the people right now. So $60 billion is set aside.

The Democrats and the Republicans have agreed on that figure. Senator CONRAD has agreed on the $60 billion figure. That is in the budget we will pass today. How that $60 billion is returned to taxpayers I do not know. We will talk about that later. We will hammer it out. But now that we have the number in the budget, the people of our country will know they are going to get some relief immediately.

No. 3, protecting Social Security and Medicare. We want to make sure that Social Security is secure. That is our No. 1 priority. That is exactly what we do in this budget resolution. The Social Security surplus will be used for Social Security, and it will also reduce the debt because we have the surplus that is there for Social Security. The same is true for Medicare. The budget resolution ensures that every dime of Medicare Part A will be used for Medicare, for paying down the debt. It also provides—and this is important; Senator GRAMM was talking about this before I spoke—$153 billion over the next 10 years will go for prescription drug benefits and options in Medicare because all of us know that people are having a harder time paying for their prescription drugs.

Prescription drugs have taken the place of surgery. They have taken the place of hospital stays. They have lessened the cost of health care in general. But the drugs are expensive so we need to accommodate that added expense as we are reforming Medicare. This budget provides the means to do that.

So what is left? Our funding priorities. We are increasing our priority areas 11.5 percent for education. That is our No. 1 priority area and it is the biggest expenditure in the budget. A 4-percent overall annual increase is going to be higher than the rate of inflation. So I think that is quite responsible.

In addition, we are going to double the spending at the National Institutes of Health for the research so we can, hopefully, find the cure for breast cancer and colon cancer and all of the diseases, heart disease—we are pouring the money into the research because we want to try to cure these diseases.

We have treatments for these diseases but in many instances we don't have the cure. That is what doubling the NIH budget does.

We are going to increase national defense spending. That is our first responsibility. Curing Social Security and providing for the national defense is our first-line responsibility. We are going to make sure that the men and women who give their lives to protect our freedom will have the support they need to do the job. We are going to give them higher pay. We are going to give them education benefits. We are going to give them health care benefits, and we are going to give them better health. We owe them that. They are doing a job for our country that no one else can do.

We are going to have the next generation of technology so that we keep our superiority in national security; so that we keep the air superiority we have seen just in the last year absolutely perform in the way we had hoped it would.

We are going to keep the superiority of our defenses because we know that the best defense is a good defense. We know that peace will come through strength. Knowing that we have the best is the best deterrent that we can have for any country that might choose to fool around with America.

I am proud of this budget resolution. I am proud of the President of the United States.

There is a new era in Washington. I hope we can keep the promises we made to the American people and pass a responsible budget resolution with responsible spending and responsible tax relief for every hard-working American.

I yield the remainder of my time to Senator FRIST.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Massachusetts was to follow the Senator from Texas. The Senator from Texas has 4 minutes remaining.

Does she intend to allow the Senator to use her time?

Mrs. HUTCHISON. Mr. President, I had 15 minutes, and it is my intention to yield the remainder to Senator FRIST.

Mr. CONRAD. Mr. President, reserving the right to object, we have a unanimous consent agreement in place. The unanimous consent agreement provided for time for the Senator from Texas, and then we were to go to the Senator from Massachusetts, and then back to the Senator from Tennessee. I think what has been suggested would be out of order.

The PRESIDING OFFICER. The Senator from Massachusetts was next to be recognized.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I understand it, I have 15 minutes. I ask the Chair to let me know when I have 12 minutes left.

Mr. President, first of all, I commend Senator CONRAD, the ranking member of the Budget Committee, for his excellent presentation both last evening and this morning. I also commend him for his deep and profound and thoughtful analysis of the whole budget that is before the Senate at this time in the rather unusual form because, as I think every Member understands, we don't have the President's budget.

I think all of us believe we should have the actual budget of the President so we can find out the President's priorities and the cuts that are going to be made in the various programs rather than predicting or surmising what might be in that particular proposal.

I commend Senator CONRAD for the very strong analysis he has made of this. From any fair reading of the debate, to date, one would have to find that the presentation made has been clear and convincing—that we are not going to be able to do all things for all people. We are not going to be able to afford these very dramatic tax cuts, which I believe are too large, too unfair, and too unpredictable, and still deal with the many challenges that we are facing.

I commend the Senators from Montana and Florida, Mr. BAUCUS and Mr. GRAHAM, for their leadership on this issue of prescription drugs. They have made a very effective case. It is one which I strongly support. I thank them.

It is a clear indication of the priorities on this side of the aisle that our first amendment is on the issue of prescription drugs. This amendment recognizes the enormous need for giving assurances for prescription drugs to our seniors. I want to underline that fact. Today, as was pointed out in the presentation of Senator BAUCUS of Montana and the presentation of the Senator from Florida, this is really a life and death issue.

Our debate on the budget is really a question of priorities, and it is also a question of values. What we are saying with this amendment is that we put a high priority on the issue of prescription drugs—guaranteeing an affordable, dependable, reliable, and effective prescription drug program for our seniors in this country, and for others in desperate need.

There is a critical failure to make that commitment in the underlying budget proposal. As has been debated on the floor of the Senate on a number of different occasions, the issue of prescription drugs is a life and death issue.

This budget is about priorities. We are talking about life and death issues. For senior citizens, prescription drugs are as important as going to the hospital today. They are as important as the physician's care.

If you can, imagine what would happen in this country if the Senate of the United States decided to take away all guarantees of hospitalization under Medicare. The country would be in an uproar. If we decided to take all guarantees of the physician's care away, the country would not tolerate it. Yet for our senior citizens, make no mistake about it, prescription drugs are life and death to them.

I listened to my good friend—she is my good friend—from Texas talking about investing in the NIH and producing these new miracle drugs. That will be meaningless unless we are going to set up a system to get the magnificent new drugs out to the people who need them. That is what this amendment is all about.

What we see before the Senate—in terms of choice and in terms of priority—is a Republican budget that effectively provides for a $1.6 trillion tax cut for the wealthiest individuals, and only $153 billion for the Medicare program.

For the over 1 million individuals who are making more than $1 million, they will get $729 billion. Those seniors who are on Medicare and need prescription drugs get $153 billion. These tax breaks are for the millionaires who benefited very well over the last several years. We are going to give them $729 billion and $153 billion for the 39 million senior citizens and others who depend on Medicare.

Who are these senior citizens who depend on Medicare? The average senior citizen who depends on prescription drugs and Medicare is 73 years old, a widow, about $14,000 in income, with multiple ailments.

Do we understand that? A senior citizen making about $14,000 gets one-fifth in this budget what we are going to give the wealthiest 1 percent. This is the question of priorities.

This chart shows very clearly that about 80 percent of all seniors have incomes under $25,000. Those are the people about whom we are talking.

This issue is about priorities. Are we going to give tax breaks to the wealthiest individuals or are we going to say—as a matter of national priority—our senior citizens are a priority? They are in desperate need for a prescription drug program.

With all due respect to the proponents of the administration's budget, in the proposal that is before us, just look at what they say in justifying their position on prescription drugs: "If the Committee on Finance of the Senate reports"—if. Do you think the word "if" is in there for the tax cut? This is what the words for the tax cut are: "the amount by which the aggregate levels of Federal revenues should be reduced." It is mandated here. It is mandated for the tax cut but not with regard to prescription drugs.

It says: "If the Committee on Finance of the Senate reports a bill . . . which improves the solvency of the Medicare programs"—what does that mean, "improves the solvency of the Medicare programs"? That is "wordspeak" for if they are going to cut out benefits, because here it says: "without the use of new subsidies from the general fund." Those words "which improves the solvency" mean if we report out of the Finance Committee—if they are going to report a bill—it is going to improve the solvency of the Medicare program by cutting out other benefits, because it says here "without the use of new subsidies from the general fund."

Therefore, the only way you are going to get prescription drugs is if they decide to do it, and it is only going to happen if they make cuts in the Medicare program and if the bill "improves the access to prescription drugs."

Wouldn't you think they would at least put the words in there that would guarantee prescription drugs? No. It is "access to prescription drugs."

What in the world is happening? "Access to prescription drugs"—is that the President's old program, a "helping hand" for prescription drugs? Is it a welfare benefit program? What is it? All it says is "access to prescription drugs." It is no guarantee that there will be an effective prescription drug program that will be universal, that will be comprehensive, that will have basic and comprehensive coverage, and that will be affordable, like in the Baucus proposal. It also says: if there is ". . . access to prescription drugs for the Medicare beneficiaries, the chairman of the Budget Committee of the Senate may"—may—"revise the allocations, but not to exceed the . . . $153 billion."

We know what is going on here. The Budget Committee on the one hand mandates tax cuts for the wealthiest individuals. There is no contingency in this budget proposal with regard to taxes. There are no ifs, ands, or buts; there is a mandate for the Finance Committee on taxes, but not for prescription drugs. You would think if they were going to put this completely inadequate amount of money into the budget for prescription drugs, they would actually say: "When the Committee on Finance does report a prescription drug program." But, oh, no.

So make no mistake about it, this is phony. It is made up. No senior citizen in this country can take any—any—satisfaction whatsoever from what has been included in the budget proposal.

The proposal that is before the Senate at this time by the Senators from Montana and Florida remedies that. It puts us on record to say that this is a national priority, this is a reflection of our budget priorities, this is a reflection of our values. We are going to insist that we have an opportunity to express it in this budget, and we shall.

Now I think for those who are watching this debate, there are four major criteria by which we should evaluate the budget plan:

Is it a fiscally responsible and balanced program? As has been pointed out by the Senator from North Dakota and others, it does not meet that test.

Does it protect Social Security and Medicare for future generation retirees? It flunks that test.

Does it adequately address the urgent needs, such as the prescription drug program and the real enhancement which is necessary if we are going to make education a priority in this country? We will have an amendment that will be offered by our colleague and friend, the Senator from Iowa, Mr. HARKIN, on that issue.

And does it distribute the benefits of the surplus fairly amongst all Americans? It fails that test.

If the American people care about prescription drugs, this amendment is the way to go. It is well thought out. It is responsive to the challenge. It is absolutely essential to meet the health care needs of our senior citizens, at a time when their prescription drug coverage is dropping right through the bottom.

A third of our seniors have no coverage. A third of our seniors have no coverage. Another third have employer-sponsored retiree coverage, but it is in rapid decline. We have seen how that has fallen off 40 percent in the last few years.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. KENNEDY. Then we have seen what has happened in Medicare HMOs. Last year, 325,000 Medicare beneficiaries were dropped from their Medicare HMOs. This year it is 934,000—three times as many in 2001 as were dropped in 2000. People have to be asking: Business as usual? I hear from the other side: Business as usual. Business as usual.

We are challenging that theory with this amendment. We believe this is a reflection of the true values of the American people and the true priorities of American families. I hope the amendment will be adopted.

I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. FRIST. I thank the Chair and ask that the Chair notify me when I have 2 minutes remaining.

The PRESIDING OFFICER. Yes. The Senator has the 12 minutes of his time plus the 4 minutes yielded to him earlier. The Chair will notify the Senator when there are 2 minutes remaining.

Mr. FRIST. Thank you, Mr. President.

I rise to continue our dialog and debate this morning on Medicare, how we improve Medicare, how to strengthen Medicare for our seniors, as well as for our individuals with disabilities.

We are in the middle of the budget debate which sets the framework for our policies over the coming days and weeks and months of this year.

I am a little more optimistic than the Members I heard this morning because I think we have a unique opportunity, an opportunity that is reflected in the budget put forth by both President Bush and Senator DOMENICI, as reflected in the budget resolution that is before this body—a body that aims at what I think is most important when we look to our seniors or our individuals with disabilities because what they really want is health care security; that if they need care at a certain time, it will be available for them and include the hospital bed, the surgeon's knife, the operation, the outpatient unit, the doctor's visit, and prescription drugs. That is where the opportunity comes in. So I would like to speak to that shortly.

We are talking about the budget today, so let me begin with what the President's budget is, what is reflected in the budget resolution before us, and what are the numbers.

If we look at Medicare, and we look at fiscal year 2002, the Medicare outlays would be $229 billion. It is a large number, but until you start looking at other numbers, how large is it? And what happens to it?

In that first year, it is $229 billion. Our budget, the budget we are talking about on the floor, goes out, year by year, to year 5 and year 10. In year 10, that $229 billion in the budget resolution put forth by Senator DOMENICI is up to $459 billion. That is in the budget. That is about an 111-percent increase, if you compare the first year on out to 11 years. And that is the resolution. If you look at year 5, just to give you the overall numbers, there is a year-5 number of $291 billion, which represents a 42-percent increase, an increase of about $92 billion. Thus, we are talking about marked increases in the Medicare budget as we go forward.

In addition to that, there is $153 billion in addition to that—the increases I just talked about—which is placed on top of it, to be directed to modernization, to strengthening Medicare, to give our seniors more security by including prescription drugs. And I hope, as we modernize Medicare, and as we strengthen Medicare, we do other things—in fact, I would say we absolutely have to do that if we want to have a program that is going to be sustained over time—such as more preventive care, more chronic care, better care for heart disease, for lung disease, and for cancers.

That is where it comes back to the great opportunity we find before us that is laid out in the policy behind this budget; that is, that we have the opportunity to strengthen Medicare, to improve Medicare, to modernize Medicare, to bring it up to the sort of standards today that we see so broadly distributed in the private sector.

I should add, what Senators and Members of the Congress get, what the President of the United States gets, what Federal employees get—our seniors deserve it, and individuals with disabilities deserve it.

When I say strengthen Medicare, which this budget allows us to do, I am talking about improving it, making it stronger, injecting energy into the program to make it more responsive to the individual needs of seniors or individuals with disabilities.

When I say improve Medicare, which this budget allows, and the policy behind it almost assures, I am talking about adding a benefit, such as prescription drugs, which will be universally available, adding more elements of preventive care and chronic care, disease management, the sort of disease management that is routine in the non-Medicare world but which cannot, because of this rigid stratification and micromanagement, be included in Medicare today.

I am talking about strengthening, improving, and modernizing Medicare. One has to be careful when saying ''modernize Medicare.'' People ask, What does that mean? Does it mean laying off people? It is just the opposite: to have more value from Medicare. We need to bring it up to speed, to make sure our seniors get the same options, opportunities, and choices that we have as Federal employees. That is the opportunity we have.

The problem we must address as we increase this budget from $229 billion this year under the Bush proposal, the Domenici proposal, to $309 billion in year 6, to $459 billion in year 11 in this budget, is Medicare today is based on a 1965 health delivery system. Think of the cars you were driving in 1965. Some of them are pretty nice on the road today if they have been buffed, polished, and kept tuned. There are not many people who would want to be driving today the same car they drove in 1965. We must continue to invest in Medicare because of outdated benefits.

We have to add $153 billion, which we have done in the underlying bill because right now we do not have prescription drugs. As a physician who has prescribed and written tens of thousands of prescriptions, I know the value of those prescription drugs. They absolutely have to be a part of the toolbox, the tools, the armamentarium that physicians and nurses, recipients, beneficiaries, individuals with disabilities, and seniors can use to maximize quality care, and that is health care security.

There are no outpatient prescription drugs as a part of Medicare today, and that is the challenge this body has, especially as we develop policy, and that will come, in part, in this budget debate, but really after the budget debate by the Finance Committee and elsewhere.

Limited access to new technologies: Most people know it takes not just weeks and months but years and sometimes an act of Congress to get new technology considered in Medicare today. Our seniors deserve better.

Little preventative care today in Medicare: A lot of our seniors, as I travel around the country at hometown meetings say: I like my Medicare, and it is good. Medicare has been a hugely successful program over the last 35 years, and I, as a physician, have seen it day in and day out, and it has been hugely successful.

What a lot of people do not realize—and it was clearly apparent in the hearings we had in the Subcommittee on Public Health of the Finance Committee—is that the benefits that are in the private sector have continued to improve, where the benefits in Medicare have been stagnant; they have not changed or changed slowly. That is why it is outdated. We absolutely must strengthen, improve, and modernize it.

Right now Medicare only covers 53 percent of a senior's health costs. Ask a senior: Of health care costs over the next 10 years, how much will be covered by Medicare? Many think 80 percent or 85 percent but in truth it is 53 percent.

Micromanagement: Again, that is a product of us being well intended, passing laws year after year, and giving it to an organization called the Health Care Financing Administration which has layered regulation on regulation to the point the regulations, rules, and explanations that cover that simple doctor-patient relationship amount to 135,000 pages of regulations. The Internal Revenue Service has about 40,000 pages of regulations.

Those regulations governing the relationship between the doctor and patient are not 45,000, 50,000, 60,000, 80,000; it is 135,000 pages of micromanaging regulations. We have to simplify it. We have to streamline and modernize so we can meet the individual needs of our seniors.

In this whole idea of micromanagement, improving Medicare, there are 10,000 different prices coded for everything you do in that doctor-patient relationship. As you talk to a patient, you treat them, diagnose them, send off their tests, and there are 10,000 different prices. Even on top of that, they are different in 3,000 different communities.

The inefficiencies, the lack of value in Medicare today, have to be improved as we go forward.

I listed the baby boomers. There is going to be a huge increase in the number of seniors. We have to prepare for the future.

We just had the Medicare report from the Medicare trustees. It is strange. One reads the newspapers and sees this optimism about Medicare; that it is on sound footing right now. Medicare, one could argue, is on sound footing, I guess, although I will show it certainly is not as sound as we think. The rate at which we are depleting the HI trust fund—I will show my colleagues shortly—is depleted rapidly as we go forward.

This is the budget, so I am going to talk a little bit about the numbers as we go forward, again, to show the background.

There are two trust funds, Part A and Part B, in Medicare. We need to look at health care security—Part A is hospitals and Part B is physicians and prescription drugs, which we as a body will add and hopefully integrate into Medicare—we need to look at it as a whole.

As a physician, when I am treating a patient with a particular problem and I diagnose that problem, I do not start thinking of all these different programs. I like to integrate that: Should that patient go in the hospital? Should we treat that patient as an outpatient? Should we try a newly effective drug? Should we use a generic drug? One needs to think in an integrated fashion.

If we look at just the Part A trust fund and Part B—roughly the Part A trust fund is about half; Part B is the other half—the Part A trust fund is what we talk about when we talk about solvency.

On this chart, if we look at just the HI trust fund, Part A, hospitals, green is what we actually spend and red is income. The important point is, in 15 years, in the hospital trust fund, we will be spending more than we will be taking in. We are deficit spending.

A lot of people say: We do not have to worry about Medicare modernization now: why worry? That is 15 years from now; we will have new technology; costs will come down; we will have prescription drugs. What they do not think about is although the Part A trust fund does not begin deficit spending until 2016, look how quickly the blue line diminishes over time to 2029.

When we look at the Medicare program as a whole, today we are deficit spending. Right now Medicare as a whole—Part A and Part B—is spending more than it is taking in. I just showed the HI trust fund for hospitals, which is about half the overall program; in 2002, indeed, there is a surplus. So people feel pretty good: Let's not worry about modernizing Medicare.

Part B, which people around here for some reason do not pay much attention to but is a significant part, we have a draw on the General Treasury. We are basically taking money out of the General Treasury and putting it into Medicare to the tune in 2002 of $93 billion. Therefore, if one looks at the entire Medicare program A and B together, we are deficit spending to the tune of $58 billion this year, and from 2002 to 2011 it will be $980 billion of deficit spending.

I go through this explanation to set the backdrop because we have a huge challenge as we go forward. We have to, I believe, inextricably link new benefits, such as prescription drugs, which absolutely have to be a part of Medicare—to A and B, hospitalization and physician care—and make it an integral part. There are lots of reasons. One I just showed: We are deficit spending now. If we add on top of that further deficit spending, or put a program which could potentially just explode, all of a sudden our seniors lose their health care security. All of a sudden a program which is in deficit spending now has a potential for increasing deficit spending. We have to do it the right way.

Adding a new benefit such as prescription drugs has to be part of modernization and improving a program, an integral part of the program. We will hear a call for including prescription drugs. The challenge before this body is how, given these numbers, this degree of deficit spending, we put in a new benefit that, I argue, has the most powerful internal drive to explode, to be out of control—larger than any social program we have seen in this body.

That is a pretty big statement, but that is how strong this internal demand is for prescription drugs.

Think about a mother who is dying. You want the very best drug available to reverse that course. You will demand it. You will try to pay for it in any way possible. You will ask the Government for it, the taxpayer for it; you will take it out of your pocket. That is the money we are seeing with prescription drugs because they are revolutionary today. Isn't it great they are, the fact you can have crippling arthritis and for the first time you can get up and get around.

Look at what we are getting ready to add on Medicare, rightfully so, but we have to do it the right way. This chart illustrates prescription drug expenditures in the United States of America from 1965 to 1999. You see the huge growth in total prescription drug expenditures. For seniors alone, it is probably about a third of that. If we project to the future, what we are getting ready to add to Medicare—again, appropriately so—this is what we just saw, in red, and this chart shows, in 2001, 2003, 2005, and 2007, explosive growth. We need to come back and do it right. We have to integrate prescription drugs in overall modernization.

I strongly support the proposal put forth by Senator DOMENICI and President Bush. It increases Medicare spending to $459 billion over the next 10 years and increases it by $153 billion for prescription drugs.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Ms. STABENOW. Mr. President, I rise today as a proud cosponsor of this very important amendment to the budget resolution. I thank the Senator from Montana for his leadership on this issue and on the Finance Committee, as well as the Senator from Florida and my leader on the Budget Committee, the Senator from North Dakota. I very much appreciate his ongoing leadership on this important issue.

As a personal aside before speaking about this amendment, I come from the great State of Michigan with Michigan State University. If I might say to the Senator from North Dakota, we are looking forward to betting you in hockey on Thursday evening.

Now to the serious issue before the Senate. This is an issue of priorities for the American people as we look at the next 10 years. We all agree it is difficult to look into the crystal ball 10 years from now. We are being asked to do that, and many Members are cautious and concerned about locking in the next 10 years on revenues since it is not possible to be accurate. We know that. Chairman Greenspan called it educated guesses.

We do know when we are debating this list of priorities that the President has laid out a plan that says if you were to put Medicare and Social Security surpluses aside—and he does choose to spend part of those, which we will debate later—if you put that aside, the President has said the only priority for the American people for 10 years is a tax cut geared to the wealthiest Americans that we hope will trickle down to everyone else.

Now, in Michigan, the people I represent want a tax cut as one of the priorities for the future. I support an across-the-board tax cut that gives as much as possible to middle-income families working hard every day, sending kids to college, to help moms and dads and seniors with their prescriptions, and put money in their pockets, and family farmers and small businesses, as one of the priorities of the country. I support that. I don't think it is the only priority for the next 10 years.

What we are talking about today in this amendment is another very important priority; that is, updating Medicare to cover the costs of prescription drugs to assure our seniors, who have been promised that Medicare would be there, that health care would be there when they retire, that those who were disabled and were promised Medicare would be there, that in fact, it really is.

We all know that the only way to guarantee Medicare is to cover prescription drugs. That is what this amendment does. It makes it real. It says when you look at this budget and you look at the real costs over 10 years of about $2.5 trillion that is put aside for one priority, a tax cut, we are asking for a very small amount, just a little amount, to come from that $2.5 trillion over into prescription drug coverage for seniors to modernize Medicare—$158 billion. I believe that is a very small change with a very big impact for our seniors and our families.

I am concerned for most of our seniors. Most of the seniors in Michigan, most of the seniors in America, will not receive any of the tax cut being proposed. But if we want to put money back in their pockets, we have a chance to do that through this amendment by lowering the costs of their medicine. We all know it is the right thing to do. I bet there is not a person in this esteemed body who did not talk about the importance of prescription drugs and how seniors shouldn't have to choose between their medicine and their meals when they were out campaigning.

Now is the time when the rubber meets the road, the time when we have a chance to vote what we have talked about and the real priorities of the country. I can't explain, when a senior citizen comes to me and says he has been told by his doctor there is a pill he can take that will stop him from having open-heart surgery, why the pill costs $400—one pill a month, $400. Medicare will pay for the operation. It won't pay for the pill. He asks me how that makes any sense. I have to say it doesn't make any sense.

Now is the time to correct that. Today, right now, as we are on the floor, there are seniors sitting down at the kitchen table deciding: Do I eat today or do I take my medicine? Do I pay my utility bill or do I take my medicine? Do I cut my pills in half? Do I take them every other day?

I have doctors coming to me expressing grave concerns about seniors who put themselves in serious health jeopardy by trying to self-regulate their medication—every other week, every other day, doing something they shouldn't to make the pills last longer. We all know the stories. This amendment says we are serious about fixing it.

This is not an issue we have made up. I heard our esteemed budget chairman say that every time we talk about tax cuts, we Democrats make up an issue and it just pops up because we want to spend money. I know the issue of prescription drug coverage is not made up. Everybody in my State, young or old, knows the need to cover prescription drugs and make them available for our seniors is not made up. It is very serious and it is very real. It is very unfair, as we found in a statewide study throughout my State. There we looked at the costs that uninsured seniors pay when they walk into the pharmacy versus somebody with insurance. We found on average they pay twice as much. That is not fair.

If you have insurance and they can negotiate a good discount, you get a better deal. Medicare needs to be there to give our seniors a better deal. That is what this is about: updating Medicare to cover the way health care is provided today, having Medicare out there getting our seniors a better deal so they can live in dignity and respect and have the promise kept that was made in 1965 when Medicare was enacted.

This is an important amendment. I commend my colleagues, again, for their leadership in this area. With just a small change, we can begin to get some balance back in this debate about the budget. We have a number of important priorities facing our country. I believe a tax cut is one of those, as is paying down the debt to keep money in people's pockets, with lower interest rates, as are jobs. I also believe lowering the cost of prescription drugs is a critical part of this pie.

I ask my colleagues, if not now, when? We are not going to do it if we are running deficits. We are not going to be able to do it if we move into a serious recession. If we cannot update Medicare now and keep the promise to our seniors and the disabled when we have surpluses, we never will. We should admit it and stop talking about it, stop using it as a campaign issue.

This is the opportunity for us to do what everybody is talking about: provide a substantial Medicare prescription drug benefit and make sure that, in fact, it does something real for our seniors to allow them to live in dignity and have the quality of life they deserve.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I commend the Senator from Michigan who is a valued member of the Senate Budget Committee. She is new to this body, but she is certainly not new to the issues because she served with distinction in the House of Representatives and was a leader on many of these issues in the House of Representatives. She brought that knowledge and that commitment to the issues to the Senate.

There has been, really, no new member of the Budget Committee who has been any more responsive in terms of commitment to the work of the Budget Committee than the Senator from Michigan. She cares deeply about getting our fiscal house in order and keeping it there. She cares deeply about the right priorities for the country, including improving education and providing a prescription drug benefit. She has made a very valuable contribution to the work of the committee.

I think she was disappointed, as I was, that we did not have a markup in the Budget Committee. We did not even attempt to mark up a budget for our colleagues, which is unprecedented. But I want to say she has made a valuable contribution during the deliberations of the committee and the set of hearings we had and in producing the Democratic alternative. I thank her very much for those contributions.

Senator DORGAN from North Dakota is in the queue for time to speak, and I yield him 10 minutes off the resolution.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I am here to talk about this amendment, but I say to my colleague, Senator CONRAD, I also am interested in coming over at some point soon and spending a little time talking about this budget resolution and especially the issue of the increase in public debt. I want to go through with the chairman of the Budget Committee, the issue of the increase in public debt over a 10-year period, which seems to me incompatible with this notion that we have such large surpluses that we can provide a 10-year tax cut costing trillions of dollars. If that is the case, why is the public debt increasing in this very budget resolution? I will do that at a later time, but I am here now to talk about the issue of prescription drugs.

We know there are a large number of citizens, especially senior citizens, in this country who cannot afford the prescription medicines they must take, the prescription medicines prescribed by their doctors necessary to continue a healthy lifestyle. All of us have an opportunity day to day and week to week, as we are in our respective States, to talk to older Americans who are taking increasing amounts of prescription drugs and paying more for them.

Senior citizens represent 12 percent of our country's population. Yet they consume one-third of this country's prescription drugs. Why is that the case? In one century, we have increased the life expectancy in our country by nearly 30 years—from 48 to nearly 78. I know some wring their hands and gnash their teeth and mop their brow because of all the problems we have with Medicare and also with Social Security. All of those problems are born of success: people are living longer and have better lives. Let us not gnash our teeth too much about the success of having people living much longer in this country. We can and should address the financing issues in Social Security and Medicare, and we can do that without, in my judgment, great difficulty.

One of the issues with people living longer, and one of the issues with the substantial amount of new medicines available to prolong life in this country is, how do we pay the bill? Especially if you are consuming prescription drugs whose cost is increasing substantially at a time when you have reached that retirement age, the time in life when your income is decreasing a great deal, how do you address that?

The proposal by members of my caucus in the Senate, the Democrats, as well as a proposal now by the Bush administration, is to provide a prescription drug benefit for senior citizens. We proposed to put it in the Medicare program. The prescription drug proposal, as a part of this budget, needs to be sufficient so the prescription drug benefit will work for senior citizens.

We all know the cost of prescription drugs is going up dramatically, 15 to 16 percent a year in increased costs for prescription drugs. Part of that is increased utilization and part is price inflation. But we all understand the consequences of these increased prices to senior citizens.

I have told my colleagues of a woman who came to me one evening at a meeting I had in the northern part of North Dakota. She was perhaps 75 years old. At the end of the meeting, she approached me and said: Senator DORGAN, I am retired. I am getting up in age. I have to take several medicines to treat diabetes and heart trouble. But I don't have any money. I am left without any assets or income of any sort and I can't afford to take these medicines. Yet my doctor says I really must take these medicines.

As she began to talk to me, her chin began to quiver and her eyes welled with tears and it was clear she was on the edge of crying because she knew what she had to do. She needed to take this medicine to prolong her life and treat her illnesses and she didn't have the money to do so. This goes on across this country all the time.

I was at a hearing in Dickerson, ND, one day and a doctor said he had a senior citizen as a patient who had breast cancer. After the patient had surgery, the doctor prescribed a medicine and said this medicine is something you must take because it will reduce your chances of recurrence of cancer. The woman looked at the doctor and said: Doctor, there isn't any way I can take that medicine. I can't possibly afford that medicine. I will just have to take my chances with breast cancer.

I was at a hearing in New York with my colleague, Senator SCHUMER, when one of the witnesses talked about going to the grocery store but always going to the back of the store first where the pharmacy was because first she had to buy her prescription drugs. Only then would she know how much money she would have left to purchase food. I have heard that a dozen times, if I have heard it once.

Should we do something about this? The answer is clearly yes.

The Senate budget resolution provides a certain amount of money for a prescription drug benefit. But let me quote the Congressional Budget Office Director, Dan Crippen, who said in testimony before the Senate Finance Committee:

> If you are going to provide $150 billion over the entire Medicare population—again for 10 years—it won't provide a great deal for any one person.

The money provided in the Republican budget resolution does not even cover the cost of the President's own Healthy Hand prescription drug proposal. About 25 million of the nearly 40 million Medicare beneficiaries would be ineligible for the President's plan.

If the amount proposed by the President in his budget were used to provide a universal drug benefit in Medicare—which is really what we ought to do—it would provide about $200 coverage for a beneficiary for the first year.

This debate is about choices. The budget debate is always about choices. The most significant choice is the front end of this debate, and according to the President, is the tax cut.

I believe we are going to enact a tax cut. I will support a tax cut. But I don't believe we ought to have a tax cut to the tune of trillions of dollars—and, yes—that is more than $1.6 trillion as proposed by the President. Everyone scores it at well over $2 trillion.

To do that when we don't know what the future will bring with respect to this economy, to do that at a time when we have the public debt increasing and not decreasing, and to do that when we don't have sufficient resources to improve our schools, or, yes, in this circumstance on this amendment, to provide enough resources so that we have a prescription drug benefit under the Medicare plan, in my judgment, shortchanges all Americans.

It means we will have an increasing Federal debt—not decreasing. It means we are short of doing what we ought to do to make this a better country—improving our schools, providing for the family farmers during tough times, and in this amendment providing for a prescription drug benefit for Medicare.

My colleagues have offered the amendment today in the hope that we could reach agreement in this Senate. At least between the two political parties, doing this makes sense. Adding a prescription drug benefit to the Medicare program makes sense.

I think everyone agrees that if the prescription drugs had been available when Medicare was created that are available now, clearly we would have had a prescription drug benefit in the program.

Said differently, if we had no Medicare program but we were going to create one in the year 2001, just as clearly it would include a prescription drug benefit, because we are moving away from acute care hospital stays, we are moving towards outpatient procedures in medical facilities, and especially we are moving towards prescription drugs that allow people to live without having acute-care health. That is much less expensive in many ways.

These new medicines that are available are breathtaking, lifesaving medicines. They are good for researchers on the public payroll—at NIH and elsewhere—those in private prescription drug companies, and others. It is good for them. We are developing wonder drugs that allow people to do things they wouldn't have before thought possible.

But it is very expensive. We ought to find a way to say to those who have reached their declining income years in life: We want to help you be able to afford the prescription drugs you need to continue to live your life.

This isn't some luxury. This isn't some optional expenditure. The prescription drugs are necessary for senior citizens who are in many cases required to take 2, 5, 10 or even 12 different kinds of prescription drugs a day. It is very expensive to do so.

We must pass this amendment to make room in this budget for a prescription drug benefit in the Medicare program. That is why I support this amendment.

Let describe a couple of other different priorities, if I might.

Mr. President, 100 years from now everyone in this Chamber will be dead. It is an ominous thought, but it is true. The only historical reference about who we were and what we did here will be to look at this budget and see what we did that was considered valuable: What were our priorities? What did we think was important for this country?

This budget represents the framework by which future generations can judge us. Every time in this country we have tried to do something new, there have been those who have said no. They opposed everything for the first time. It didn't matter what it was—Social Security, Medicare, minimum wage—you name it; they opposed it.

This budget resolution establishes our priorities.

Let me describe a few priorities.

First, a tax cut. Yes, let's so do that, and let's make it fair. Is it fair that the top 1 percent of the taxpayers pay about 21 percent of all income taxes and payroll taxes but would get 43 percent of the tax cut? Absolutely not. Let's do a tax cut. Let's make it fair.

Second, let's pay down the Federal debt. I want to ask the chairman of the committee and others why the public debt is increasing on page 6 of this budget resolution over 10 years.

Third, what about other priorities? I mentioned schools. Does anybody think our future doesn't depend on improving our schools? Of course it does. Should we and could we improve our schools? Of course. But we must have the resources to do that as well.

In addition to improving our schools, we know we need to pass an amendment such as this to provide a prescription drug benefit in the Medicare program.

We need to have room in this budget resolution to help family farmers given these price valuations. If this country believes that we are a better country because of families living on and operating America's farms all across this country, then when family farmers face collapsing commodity prices, they have a right to expect that we will help them during tough times.

There are so many other priorities to which we must pay some attention, such as the issue of agricultural research. I come from a State with a significant livestock industry. And we face the scourge of foot and mouth disease—some call it hoof and mouth disease—and the prospect of mad cow disease, the prospect of a disease that could devastate our livestock industry. This ought to persuade all of us to address more quickly this issue of increases in basic research in agricultural areas and research in dealing with a safe food supply.

All of these areas require our attention.

Let me say again that if we are going to have a tax cut in this year, we will, I hope, agree between Republicans and Democrats to a thoughtful and fair tax cut that says to the American people: Yes, this is your money. Yes, we want to give it back, and we want to do that in a fair way.

But I think the American people want us to invest in the future of this country as well, even as we provide tax cuts for the benefit of our children and pay down the Federal debt. If you run up a Federal debt during tough times, it seems to me that during better economic times you ought to be able to pay it down. This country has not had a period that has been any better in general for the American economy than the last 7 or 8 years. We ought not end this period with substantial increases in Federal indebtedness.

We have a lot of priorities. My hope is when we look back at the work of this Budget Committee and decisions by this Congress, we will have said: Yes, this Congress reflected the right priorities for this country; yes, we made the right investments; yes, we voted for a tax cut that was a fair tax cut; and, yes, we decided to commit ourselves not just to talk about paying down the Federal debt but to really paying down the Federal debt even as we have experienced the surpluses that come from better economic times.

I believe the hour of 12:30 has arisen. I yield my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to speak for 2 minutes.

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

Mr. DOMENICI. Mr. President, I do not come to the floor to try to answer all the various arguments made. I would just like to say to the American taxpayers: It ought to be interesting to you, Mr. and Mrs. America who are paying taxes, because, in fact, what is happening here is, instead of the opportunity to give the taxpayers back some of this $5.6 trillion surplus—a number we cannot hardly understand—instead of putting that right up at the top of the priority list, we are speaking about priorities. But isn't it interesting, every single priority is to spend more of the taxpayers' money. All the priorities that are being stated here are spending a part of this surplus to spend on something for Americans.

The whole difference is that we suggest you put the taxpayer at the top of that list, not at the bottom of the list—at the top of the list—and that instead of using their money for new programs and add-ons, whatever it is, that we ought to consider them first. Included in that is the President's tax plan which is good for the economy.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I ask unanimous consent for 1 minute.

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

Mr. CONRAD. Mr. President, I say to my colleague, who not only do I respect but for whom I have genuine affection, when he says this is just a question of spending versus tax cut, he knows better. Those are not the choices. They really are not. The choices are tax cuts, spending, and addressing debt.

The real difference between our two plans—the biggest difference—is they have twice as much for tax cuts and we have twice as much for debt reduction. That is the real difference. Yes, we also have some additional spending for prescription drugs, education, agriculture, and a prescription drug benefit because we think those are the priorities of the American people.

But let there be no doubt, the fundamental difference between us is we are for more debt reduction; they are for more of a tax cut. That is where it lies.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:32 p.m, the Senate recessed until 2:15 p.m., and reassembled when called to order by the Presiding Officer (Mr. INHOFE).

The PRESIDING OFFICER. The Senator from Maryland.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011—Continued

Ms. MIKULSKI. Mr. President, I yield myself 10 minutes off the resolution.

The PRESIDING OFFICER. The Senator is recognized.

AMENDMENT NO. 172

Ms. MIKULSKI. Mr. President, I rise in strong support of the Baucus-Graham amendment. This amendment reserves $311 billion for a Medicare prescription drug benefit that will be reliable for seniors, affordable for the taxpayers, and will be undeniable when it comes to being able to buy a prescription drug. It will put us on a road to a benefit that meets patient needs, can be sustained by our U.S. Government, and yet is affordable with seniors.

Honor your father and mother is not only a good commandment by which to live, but it is a very good policy by which to govern. We believe we ought to put it in the Federal law books. We should honor our fathers and our mothers by adopting the Baucus-Graham amendment to create a prescription drug benefit that does mean something for America's seniors.

Regrettably, the Bush plan is rather spartan and skimpy. It includes only $153 billion for a prescription drug benefit. That seems to be a lot of money, and it is, but when one estimates what it would take to provide a real prescription drug benefit, the cost is much more. That comes from reliable experts in the field.

First of all, I am concerned about how the President's plan would work. It would provide block grants to States to develop programs, but these programs would only be for the very low-income seniors, despite the fact that half of the seniors who need help are in the middle-income bracket.

What do I mean by low income? I mean $11,000 a year or less. If you are a senior and you have an income of $11,000 or less, you might be eligible for President Bush's plan. However, as we have all gone throughout our communities, what is one of the issues we hear the most? We need a prescription drug benefit, say the seniors.

The ''sandwich'' generation is caught in the middle of providing tuition for their children's education and looking out for their moms and dads. They are saving for their own retirement, helping mom and dad pay for their prescription drugs, and trying to afford the rising costs of college tuition for their children.

The middle class is, once again, caught in the vice. If you are in the middle class, you cannot afford it. If you are very wealthy, you can buy your own prescription drugs. Under the Bush plan, if you are very poor, your Government will help you.

I want to be on the side of all senior citizens, and that is why we are for the Baucus-Graham approach.

Under the Bush plan, coverage will vary—where you live; what kind of plan your State set up. If my colleagues think we have had problems with the Patients' Bill of Rights, wait until we get into the Bush plan on prescription drugs. This means that a senior in Maryland might have generous coverage, but if that senior visits a sister in Virginia, just over the Potomac bridge, they might not have as good of a benefit.

We cannot have a prescription drug benefit for seniors based on the zip code of where they live. We are ''one nation under God, indivisible . . . .'' How about having one Medicare prescription drug program that is also indivisible. President Bush is choosing a lavish tax cut over creating a real Medicare prescription drug benefit.

Let me give you a hypothetical constituent: A 75-year-old widow, on an income of $20,000 a year, has a stroke. Her prescription drugs will cost about $4,200 a year. That comes out to $350 a month. The Democratic drug benefit would save her her about $150 a month or $1,700 a year. Remember, under Graham-Baucus, the Democratic plan would save her $1,700. That is almost a $1,600 difference from what she would get in the Bush tax cut. That is what she could get in a Bush tax cut. Remember, at $20,000 a year, with a tax break based on income, she would get $141 a year. I think if you would ask the American people what they want, they would want a prescription drug benefit that would help pay the bills as well as keep the money in the senior's pocketbook.

Another example. An elderly couple with an income of $30,000 a year. Their combined drug costs, say, are $6,000 a year. Their daughter is helping pay drug bills, taking money from the kids' college fund. Under the Democratic plan we could save them $2,000 a year. The Bush tax cut would save them practically nothing.

These examples show that the Democrats have their priorities in order. First, we must make good on the promises we have made to our seniors. Second, we must make sure we balance the books not only today but into tomorrow. The Democratic alternative is making a down payment on that balloon payment that is coming due on Social Security and Medicare. The constituents who have written and called me to ask why they or their parents cannot get the medicines they need do not want to hear about a lavish tax cut. They want to hear about Medicare, about a Medicare prescription drug benefit that will be reliable, affordable, and undeniable.

America is the nation that invented most of the miracle drugs. This was done through the brilliance of American science and really public investments. They came through the Tax Code, the way we work with NIH. No one should have to choose between lifesaving medication or putting food on the table. No one should have to cut their pills in half to make them last longer. No one should have to spend half of their pension on drugs. That is why we need to pass Baucus-Graham, because we have really a compelling need. Anywhere I go in Silver Spring, MD the senior citizens would rather have a prescription drug benefit that will save $1,700 a year and, more importantly, save a life than a $141-a-year tax credit.

I hope we can get our priorities in order, our books balanced, help get some money into the pocketbooks of our citizens, but let's also make sure we meet the compelling needs of our constituents.

Mr. President, I yield the floor.

Mr. CONRAD. Mr. President, I ask that we go into a quorum call and the time be charged equally.

Mr. REID. Will the Senator yield for a question before we go into a quorum call.

Mr. CONRAD. I am happy to yield.

Mr. REID. I say to my friend who is manager of this legislation, are we arriving at a point shortly where we will be able to vote on this amendment?

Mr. CONRAD. We certainly are on this side. We have used virtually all time off the amendment, and we would be prepared to go to a vote very quickly. I put a call into two offices of Senators who are vitally interested in the prescription drug amendment, and I have asked them to come to the floor immediately. So we are awaiting their appearance, and then we would prepare to go to a vote.

Mr. REID. Will the Senator allow me to ask another question. I think it would be good for the Senate, good for the country, if we voted on as many of these amendments as possible, so that the people of the country know how we stand on these issues. It is my understanding that the Senator has a number of issues he wants to bring up in an effort to amend this vehicle we have before us.

Would the Senator indicate, first of all, if he agrees we should have a vote, and then will the Senator tell us some of the things he hopes we can vote on in the next few days?

Mr. CONRAD. I agree with the Senator from Nevada. I think it would be very useful for us to use our time in a way that is disciplined so that we have a debate and a discussion and that we are able to have votes on a series of amendments after a reasonable debate. As the Senator knows, under the rules, if we have not debated the amendments until the time runs out, we will still vote. We will do it without time for debate. So it is critically important that we be disciplined.

We believe we ought to have amendments on education, on strengthening national defense, on additional paydown of debt, and, of course, we will be having an important amendment on the question of whether or not reconciliation will be used in this process.

So those are just a few of the amendments that will be considered before we are done. It is very important that there be time for debate and discussion so that Members can be informed before they cast their votes.

Mr. REID. If the Senator will yield for one additional question, I think the people in North Dakota believe the same way as the people in the State of Nevada. They believe there should be a reasonable tax cut, but the number-one priority of the people in Nevada is to do something about the extraordinary debt that has piled up. Will the Senator from North Dakota agree that his constituents believe the same as mine?

Mr. CONRAD. I think people in North Dakota have a great deal of common sense. They know that we have piled up an extraordinary Federal debt. As we visit here today, we have a $5.6 trillion gross Federal debt. Under the President's plan, that will increase to over $7 trillion. So I think we have an obligation to the taxpayers of this country, to the fiscal future of our families, to do everything we can to put pressure on this debt, to keep it from continuing to grow. And that is really the focus of the Democrat alternative.

Mr. REID. If the Senator will yield for one more question, is the Senator going to have an amendment offered by someone on this side of the aisle to have a discussion as to whether or not we should pay down the debt more or that all the money should go to tax cuts?

Mr. CONRAD. We will have, in fact, a series of amendments on the question of what the priorities really are for the country. We believe we should have a significant tax cut, but we do not believe we can afford one of the President's size without threatening to said us back into deficit and without threatening to raid the trust funds of Social Security and Medicare. For that reason, we will be proposing a series of amendments to further pay down this national debt.

I notice that one of the Senators is here who has been very active on the question of the prescription drug benefit and somebody who has really been a leader on the Senate Budget Committee in trying to get a prescription drug benefit under the Medicare program, one that would really have the resources to provide a meaningful prescription drug benefit. That would be the Senator from Oregon.

I yield the floor.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. CONRAD. I yield 5 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. I thank the Chair.

First, I thank the Senator from North Dakota. If there is one change that the Democratic Party has tried to transmit over the last decade, it has been the question of emphasizing fiscal responsibility. I want to make it clear to the Senator from North Dakota how appreciative I am that he has pounded away again and again in the committee and on this floor how important it is to reduce the national debt.

In my view, that is the single most important message the Democrats have tried to communicate over the last decade. I am so pleased he has emphasized it again today.

I will speak briefly on this question of prescription drugs because in the last year I have come to the floor of this Senate more than 25 times to talk about the need for a bipartisan initiative in this area. The fact is, the Baucus amendment, the amendment on prescription drugs, will allow Members to bring together legislators of both political parties to come up with a sensible prescription drug benefit that will contain the spiraling costs that our seniors face.

It would be built around the proposition that there would be defined benefits that senior citizens in every community would be entitled to. It would be a benefit that would be part of the Medicare program. Finally, it would be a benefit that allows containment of costs by offering senior citizens choices and alternatives in the marketplace.

What pleases me about both the Baucus amendment and the alternative that the ranking member, Senator CONRAD, has put before this body, is that it goes right to the heart of the question; that is, ensuring that we have resources to do the job right. The fact is, America can't afford not to do this job right. I hear from physicians in my home State, for example, that they have actually put senior citizens in the hospital in order to get prescription drug coverage because those older people could not afford their medicine on an outpatient basis.

Colleagues, think about the insanity of such a system that can rack up $40,000 or $50,000 worth of costs for medicines in a hospital rather than spending perhaps $500 or $600 on an outpatient prescription drug benefit so a senior citizen can, for example, have a leg ulcer treated on an outpatient basis.

Under the Baucus amendment, it will be possible to have those resources, to bring together Democrats and Republicans in this body, and get the job done right. We all understand the extraordinary revolution we have seen in the medicine field over the last few decades. Everybody acknowledges if we were to design Medicare today, not a Republican nor a Democrat would advocate leaving out a prescription drug benefit. It is going to take the resources to do the job right. It seems to me the Baucus-Graham amendment makes those resources available. By the way, it is an approach that would be consistent with what we did in the Senate Budget Committee last year on a bipartisan basis—Senator SNOWE, Senator SMITH, and I—and is consistent with a variety of other approaches.

I hope my colleagues will recognize what we are trying to focus on today is, first, the single most important message of Democrats in the last decade, which is we have to have fiscal responsibility. That is why we emphasize today the question of paying down the debt. Second, we do want this country to make a handful of well-targeted investments in our future. In my view, one of those key areas would be prescription drug coverage. When it comes to paying for this benefit, this country can't afford not to do prescription drug coverage right.

I yield the floor.

Mr. CONRAD. Mr. President, I suggest the absence of a quorum, and I ask that the time be charged equally to the resolution.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, I will comment for a moment on the role of the Senator from Oregon in the Senate Budget Committee. He has been among the most innovative Members in trying to find ways to extend a prescription drug benefit and to do it with bipartisan support. In the Senate Budget Committee last year, he worked with one of our colleagues on the other side of the aisle, the Senator from Maine, Ms. SNOWE. They offered the amendment that opened the door to a prescription drug benefit last year. It is that model that again is being pursued this year in an attempt to reach across the aisle to find bipartisan consensus on a prescription drug benefit that would be meaningful for the American people.

I wanted to take a moment while he was here to thank the Senator. He has spent countless hours working to come up with prescription drug proposals that would have bipartisan support. I thank and commend him publicly.

Mr. WYDEN. If the Senator will yield briefly, I thank him for that.

What the Baucus amendment does is allow Members to put together that bipartisan effort that would encourage an approach that is within Medicare, with defined benefits, based on real marketplace choices, so there would be cost containment. I thank Senator CONRAD and Senator BAUCUS for emphasizing the two key messages of this party.

First, our message of the last decade, which is that fiscal responsibility is paramount. One does that with the focus on debt reduction. Second, that we can have a handful of well-targeted investments in our country's future. That is what the Baucus amendment does. I am very pleased to be associated with both Senators' efforts.

Mr. CONRAD. I thank the Senator from Oregon for his contribution on the committee.

To give the Senator from Montana a little backdrop, the Senator from Montana reserved 5 minutes off the amendment. That time is still available. It is up to the Senator from Montana whether he wishes to use that time or I am happy to give him time off the resolution. We don't have a Member on the other side of the aisle present, but hopefully there are people watching and listening. We are prepared to go to a vote on the prescription drug amendment. We hope the manager on the other side of the aisle appears in short order and tells us what the plan is on their side. We are prepared to go to a vote in very short order.

I yield 5 minutes off the resolution to the Senator from Montana.

Mr. BAUCUS. Mr. President, I don't want to overdramatize this point, but I think it is accurate. If this amendment doesn't pass, an extremely modest amendment—and I mean extremely—there is a very good chance, more than a 50-percent probability, that this Congress will not pass a prescription drug benefit bill this year.

Why do I say that? I say that because the amount in the resolution is so small that seniors won't use it. Why do I say that? I say that roughly the $153 billion in the budget resolution under earlier estimates would require a deductible of about $2,000. How many seniors are going to want to participate in a prescription drug program with a deductible of $2,000? This is voluntary. This is not a mandatory program under this amendment. It is all voluntary. Contrast that with catastrophic, years ago, which was mandatory; this is voluntary. Seniors will not use it. It is not worth it.

We will be making a false promise if we attempt to pass something such as that. We won't pass it because too many seniors will already have exposed it for what it is.

Instead, we are suggesting, by our amendment, take a very small sliver out of the $1.6, $2.6 trillion tax bill, however you want to categorize it. We know for sure it is a lot more than $1.6 trillion by definition. Frankly, $2.6 trillion is conservative. Take out a small sliver—$158 billion, that is all—and add it on to the $153 billion that is contained in the budget resolution. That adds up to $311 billion over 10 years for prescription drugs. That will be the beginning for a modest drug prescription benefit provision for seniors who now do not have prescription drug coverage because of where they live in the country because they are poor or because no plan offers it.

Do not forget, health benefit plans today providing prescription drug coverage to seniors are every year dropping more and more people from their plans. Medicare+Choice last year dropped 900,000 seniors. The year before, 400,000. Why? Because costs are going up. So they are dropping people out, which forces them back to nothing or any Medicare we may have.

I suggest taking a small sliver—it is small compared to the huge tax cut the President is proposing as contained in this budget resolution—and giving it to the literally millions of seniors who do not have any prescription drug coverage, with the cost of drugs rising as fast as they are and utilization rising as fast as it is. Who is going to be hurt if we cut down one-sixth, two-sixths? It will probably come out of the most wealthy, maybe a sliver out of the estate tax, maybe a sliver out of the top rate. Who knows?

Certainly, according to America's values, our country's priorities, who we think we are as Americans, this only makes sense. There are seniors who are so wonderful—our mothers, our fathers, our grandmothers, our grandfathers, many of whom gave so much to this country through the Depression. Why in the world can't we at least say to them, we will take a sliver out of this tax cut and give it to you, a senior citizen who today has no prescription drug coverage? Because that is what is right.

Let me just say this as a reminder. Senior citizens in America who are not now covered under a prescription drug benefit plan, some company or whatnot, pay the highest prescription drug costs in the industrialized world. That is a fact. That is about 35 percent of American seniors. Up to 50 percent are just inadequately covered or intermittently covered. But 35 percent of American seniors, at least, pay more for prescription drug benefits today than do seniors in any other country in the industrialized world. Where is the United States of America? Where are we? Who do we think we are? We brag about ourselves and our values. Let's step up to the plate. It is a very modest amendment. I urge its adoption.

Mr. CONRAD. I yield 5 minutes off the resolution to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I thank the Senator from North Dakota.

As the able Senator from Montana has indicated, we desperately need a prescription drug benefit. The question is, What form is it going to take? Are we going to fund it fully enough so it really has any meaning?

If we go with a prescription drug benefit of about $153 billion, the fact is we are going to end up with deductibles that could be anywhere between $2,000 and $15,000 for people who are sick.

You cannot do that. If you are going to do a prescription drug benefit, you have do it properly, fund it adequately, so all people are able to take advantage of it.

That is done in the Baucus amendment because he, the Senator from Montana, puts it at $311 billion over a period of 10 years. It does the job. It means you are not going to have people paying so much out-of-pocket expense that they simply cannot afford to go down and get prescription drugs at all.

I would say, in the panoply of things that are needed by Americans, a prescription drug benefit, the prospect thereof, the psychological benefit thereof, the medical benefit thereof, is virtually at the top of the list.

We very recently passed something called a Coal Miners' Health Benefit Fund Program. It was approved by OMB, which never does that kind of thing, because they believe that a prescription drug benefit used on people of average age 80 years will in fact save money for Medicare, keep people out of hospitals, and keep people from having to use other parts of Medicare, thus saving money overall for Medicare. We are never going to find out what we can do with prescription drugs, how much cost we can either save or not, until we do something and do it fully. The Baucus amendment does that, and I hope it is successful.

I yield the floor.

Mr. CONRAD. Mr. President, I yield myself 2 minutes off the resolution.

I thank the Senator from West Virginia for his comments on the prescription drug benefit. There is perhaps no senior member of the Senate Finance Committee who is more knowledgeable about health care issues than the Senator from West Virginia. The Senator from West Virginia has led the fight to expand health care coverage, including a prescription drug benefit, on the Senate Finance Committee. We very much appreciate his leadership.

With that, Mr. President, I yield the floor. I suggest the absence of a quorum, and I ask we charge the time equally on the resolution.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I would like to ask the Senator from North Dakota to yield me some time.

Mr. CONRAD. I am happy to yield 10 minutes to the Senator from Nevada.

Mr. REID. I appreciate that very much.

I am very concerned. We talked very briefly a little while ago about this. We keep talking about a tax cut. People in Nevada realize, if we pay down this huge debt in any way, it will be a tax cut for everybody. It will be a tax cut for everyone because we know if this burden is taken away from the American people, they will pay less for their car and their boat—if they are fortunate enough to have one—certainly their house, and the debt they have on their credit cards every month.

Does the Senator agree, one of the biggest tax cuts we could give the American people is to pay down the debt?

Mr. CONRAD. I think, if we have learned nothing else from the 1980s, the one thing we should have learned is that the best strategy is one that puts our fiscal house in order and keeps it there. It is eliminating deficits and beginning the process of paying down debt that has helped us trigger the longest economic expansion in our Nation's history.

When I look at the proposal on the other side, I see they talk about paying down the maximum amount of publicly held debt. But if you look on page 5 of their proposal, the amendment that was offered here by the chairman of the Senate Budget Committee, the public debt, which is currently listed at $5.6 trillion, rises under that proposal to $6.7 trillion. That is under the headline of public debt.

They have talked a lot about reducing the publicly held debt, but here is the chart. Here is what has happened to the gross Federal debt from 1980 where, you can see, it was $909 billion. In 1999 it has gone up to $5.6 trillion. Under their proposal on page 5, they would take this debt up to $6.7 trillion. That is the proposal they have before this body.

Mr. REID. Mr. President, will the Senator yield? I think I have the floor. I would like to develop this colloquy a little bit.

What I heard the Senator say, as I have said on the floor before—I believe there is no one in Congress who knows numbers better than the Senator from North Dakota on the Budget Committee—is if we pass the budget that is now before this body as it is written, the public debt will go up and not down. Is he saying that?

Mr. CONRAD. I am saying what this document says. This is not my calculation. This is their calculation. This is their document. This is their amendment.

Mr. REID. Will the Senator repeat how much it goes up?

Mr. CONRAD. It goes from $5.6 trillion today—that is where this chart leaves off. And under their proposal the public debt goes up every year until it reaches $6.7 trillion.

Mr. REID. My friend has talked a lot the last month about an idea that I hope is going to be in the form of an amendment to this budget. As I understand what the Senator from North Dakota has been advocating, if, in fact, we have a surplus—and thank goodness we do have a surplus—one-third of that should be applied toward reducing the debt, one-third should be used to give the American people a much deserved tax cut, and one-third should be left so that we can do something about the huge class sizes—reduce class size, build some new schools, fund IDEA, the program for the physically and emotionally disadvantaged children.

Hasn't the Senator talked about the need to have one-third for tax reduction, one-third for deficit reduction, and one-third to make sure we can fund some of the programs that even President Bush says we need? Is the Senator going to do that in the form of an amendment to this package?

Mr. CONRAD. Yes, we will. I think part of the confusion comes from the language that we use. Our friends on the other side of the aisle are talking about reducing the publicly held debt. That is not the full debt of our country. The gross Federal debt is the full debt.

They talk about having the maximum amount of reduction in the publicly held debt. At the very time they are doing that, we are seeing the gross Federal debt of the country continuing to climb.

Their budget does not do anything about this long-term debt expansion.

That is the difference between us. We not only are dedicating more of the projected surplus to paying down the publicly held debt, which is really the short-term debt—that is the debt that is outstanding in the public—but we are also offering for the first time that anybody has had a budget proposal before this Congress to do something about this gross debt, this long-term debt, this debt that is building in Social Security and Medicare. It is a liability out there that is growing geometrically.

This has already happened to the gross debt of the United States. It has skyrocketed and it will continue to grow under the proposal that our friends on the other side of the aisle have made. Their own budget document says they are going to take the gross debt of the United States, which is $5.6 trillion today, and increase it to $6.7 trillion all the while they talk about a massive tax cut. It really makes you wonder if there is not confusion about language here.

Mr. REID. When we talk about saving one-third of the surplus for programs, one of those programs is something that President Bush talked about wanting. And that is now the subject matter of the first amendment before this body; is it not? That is a prescription drug benefit for Medicare.

My first elective job was as a member of a hospital board—at that time the largest hospital in Nevada, Southern Nevada Hospital. It was in 1965 that Medicare came into being. Medicare is a wonderful program. It has been proven to be a great program even since then—imperfect but it is a good program. But in 1965, when Medicare came into being, there was no need for prescription drug benefits because there were not a lot of prescriptions that met the needs of the senior population at that time. It has only been in the last 35 years that prescription drugs have come out that now keep people alive. They can make people more comfortable, and they heal people.

How can we as the only superpower left in the world have a program for senior citizens to take care of their medical problems and we don't have prescription drug benefits? It is my understanding that in the Senator's amendment, one-third is going to be reserved for programs. Part of that money will be used for a prescription drug benefits for seniors. Is that not right? And in the program that the Republicans have offered, there is no money in their prescription drug benefit.

Is that fair?

Mr. CONRAD. As we have said, this program provides half as much for prescription drugs. The budget proposal that they have made provides $153 billion. But everybody acknowledges that is not sufficient and that there is simply not enough money there to provide a meaningful prescription drug benefit.

They are engaged in a little bit of what I would call fiscal sleight of hand.

If you look at our proposal, we take this projected surplus, and we are quick to acknowledge that this is a 10-year projection. It is highly unlikely to ever come true.

We believe the prudent thing to do is to be cautious in light of the basis of all we are doing being a 10-year forecast. We save all of the money for the Social Security trust fund, all of the money for the Medicare trust fund, and with what is left we talk about one-third for a tax cut, one-third for these high-priority domestic needs, including prescription drugs and infrastructure and education.

Anyone who has flown or driven on a highway knows that we need additional funds for infrastructure in America. And education is the highest priority of the American people for additional resources.

We also believe we need to strengthen our national defense and then provide additional resources especially for health care and disasters. Because we know we are going to have a certain number of disasters every year, we believe we ought to provide funding for it.

Finally, the last one-third would be for long-term debt and to strengthen Social Security and provide a strategic reserve in case these forecasts are wrong; then, of course, the interest costs associated with all three of those.

We believe we have a cautious, conservative program—one that dedicates the vast majority of the money for debt reduction.

Here is why: The Social Security trust fund money is not needed for Social Security at the moment. That goes to pay down the publicly held debt. The President uses $2 trillion of that money for the same purpose—to pay down the publicly held debt.

We also reserve all the Medicare trust fund money. That will go for paying down the publicly held debt. We have $2.9 trillion reserved for debt paydown.

In addition to that, we have another $750 billion for our long-term debt. This is where our friends on the other side don't have a nickel for this purpose. They don't have any money to deal with the long-term debt.

In our proposal, of the $36.5 trillion forecasted surplus, we are reserving $3.65 trillion for the paydown of short-term and long-term debt. That is in comparison to the President's plan that only has $2 trillion. We have nearly twice as much to pay down long-term debt and short-term debt.

Mr. REID. Will the Senator yield 5 more minutes?

Mr. CONRAD. If you do not mind, we should ask the Senator from Minnesota who is next on our list.

Mr. REID. If I could just ask one more question.

Mr. CONRAD. I yield an additional minute to the Senator.

Mr. REID. Will the Senator indicate why he put his $2.7 trillion across from non-Social Security and non-Medicare? Why is that in red?

Mr. CONRAD. That is in red because we believe it would be profoundly wrong to use any of the Social Security trust fund money or any of the Medicare trust fund money for other purposes. That has been done in the past. We have just stopped doing it in the last 3 years. We believe we shouldn't go back to the bad old days of raiding the trust funds and using the money for other purposes. We have reserved all of the Social Security money and all of the Medicare trust fund money for the purposes intended.

I thank the Senator from Nevada for his questions. I ask the Senator from Minnesota how much time he would like.

Mr. WELLSTONE. I say to my colleague, I am actually speaking on the amendment. I can do this in under 5 minutes.

Mr. CONRAD. I yield the Senator from Minnesota 5 minutes off the resolution itself.

The PRESIDING OFFICER (Mr. BOND). The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, later on I will have a chance to come out here, with my colleague, Senator HARKIN, with an amendment that deals with funding for education and children. That is the heart and soul to me. I guess if there is any one issue that I am more emotionally connected to than any other, it would be anything and everything that deals with children and education.

But I have listened carefully to this debate. I want to say this: We have all the numbers. The Republicans have $153 billion. I think we have $311 billion or thereabouts. I want to get away from the numbers and just simply say this about this debate. For a good period of time that I have been a Senator, we were running deficits. The goal was deficit reduction. Then I had hoped that when the economy began to do better, and we began to see surpluses— I hope we will continue to do so; who knows what will happen over the next few years—but I had this hope that now, with an economy that was doing better, and with some surpluses, that finally—finally—as a Senator from Minnesota, I would be able to do really well for people. It would not just be stopping the worst, it would be doing the better.

I mentioned children and education, but I want to mention elderly people and prescription drug coverage. I can tell you, in the State of Minnesota, 65 percent of the elderly people, senior citizens, have no prescription drug coverage whatsoever. They have no coverage at all. I can also tell you all of the stories about people who cut the pills in half—and you have heard them all—or the stories about people during the cold winter where it is either they are going to be able to afford a prescription drug or have heat because if they get their prescription drug, they can't afford their heating bill and they go cold.

I want to do this a different way. I want to say to my colleagues on the other side of the aisle, I had two parents with Parkinson's disease—two parents. That is rare. Both of them took the drug selegiline. It is not an inexpensive proposition. When I think about my own parents, and my mother Mencha Daneshevsky, who was a cafeteria worker, she didn't make much money. My parents did not make much money. I think they made something over $20,000 a year. I don't know what their income was; they didn't really tell me. But believe me, it was a moderate income.

What we have out here is a choice. Either you are in favor of Robin-Hood-in-reverse tax cuts, with maybe 40-plus percent of the benefits going to the top 1 percent, or you are in favor of making an investment above and beyond reducing the debt and protecting Social Security and Medicare that everybody is talking about on our side of the aisle—and I say good—and you are also for making some investments in people, you are for making sure that senior citizens—our parents and our grandparents, who built this country on their backs—are able to afford prescription drugs.

The benefit offered by the other side would not have helped my parents much, and it does not help most of the people in Minnesota who are senior citizens. I do not know why we can't do this.

Any day of the year, I am comfortable saying to people in Minnesota I did not go for the $2.5 trillion in tax cuts. I wanted to go for some tax cuts. I wanted to go for tax cuts that would be a stimulus. I wanted to go for tax cuts that would in the main help working families, but I did not go for the $2.5 trillion. Too much of it was Robin Hood in reverse.

Most important of all, I did not go for it because I felt if we had a surplus, we could live up to our commitment to making sure that we could afford prescription drugs. I don't know why we can't do that. I don't know why we can't get real. And I don't know why we can't spend the amount of money that we need to spend to make sure that people in our States—elderly people, senior citizens—can afford prescription drugs. I just don't understand that.

So we will have a vote. I think the vote is on a basic value question. It is a matter of priorities. I want to come out on the floor and indicate my strong support for this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Senator from Minnesota. I appreciate his contribution to the debate.

Let me just say to colleagues, very soon we will be going off this amendment. The other side has announced their intention to provide an amendment in the second degree to our amendment. I wish they would not do that. I wish they would permit a straight consideration of our amendment by the body. But they have announced their intention to amend our proposal in the second degree, and then we will have a debate on the amendment that they offer. That is being drafted.

So if there are colleagues who are listening, if they would like to come to the floor to give their opening remarks on the budget resolution, this would be a good time to do that. We have called a number of offices for those who are in line in terms of the informal queue we have here to speak on the resolution. But if you would notify your Members, those who are in the queue, to come, this would be a good time to speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry, please.

The PRESIDING OFFICER. Please state the parliamentary inquiry.

Mr. DOMENICI. What is the status in terms of time on the amendment from the other side, the Democrat amendment?

The PRESIDING OFFICER. There is 30 minutes remaining on the Baucus amendment for the Senator from New Mexico and 7 minutes for the Senator from Montana.

Mr. DOMENICI. OK. Mr. President, I yield myself 10 minutes. I say to my good friend, the ranking member, and Senator REID, we clearly do not intend to take a long time before we are ready to vote on this amendment except we will offer a second-degree amendment. It is just being written up. And it is moving a lot of numbers around, which is not easy, as you all know. But that is being done as expeditiously as possible.

Let me suggest that in the basic budget that we bring to the floor, we have a number in it that is proposed to be used for prescription drugs, along with reform of Medicare; that number is $156 billion.

I understand what the Democrats would like to do now, and everyone should just understand it is probably the beginning of a few more like this. They would take $156 billion of what our President proposes that we consider the tax cut for the average American—and the marriage tax penalty, and a solid death reform measure, and, indeed, making sure that the American families with children get a doubling up of their child credit—that all of that might fit in this $1.6 trillion, but we do not know what parts of it. But we are saying, let's give it a chance.

This amendment says, let's take $156 billion of that, and let's take it out of the tax relief measure and put it into a fund for Medicare prescription drugs or into the Medicare Part A trust fund. We do not think that is necessary. We do not think you have to take anything out of the tax cut that is planned in order to make sure we have sufficient revenues, sufficient resources to take care of prescription drugs. We can do that.

As a matter of fact, we will propose an amendment that will be a second-degree amendment to that one. We will propose one that will, indeed, take care of and make sure that our senior citizens know that there is going to be ample money for them and their prescription drug program. In fact, it could be perhaps as big as the one being recommended. It is just that none of us knows. None of us knows precisely what that program is going to cost because it involves reforming Medicare, and a prescription drug program. If you listen to the voices, they are all over myriad programs in terms of what prescription drugs might look like.

So essentially, in due course, we will say, here is our proposal. And just so everyone understands, we will not use any of the President's tax relief program that is for average Americans, for married couples, for those others who might be considered as part of the tax relief effort.

Again I remind everyone that Senators can come to the floor from either side and tell us what, indeed, this tax plan is going to look like because they choose to pick a part of the President's proposal—understand it is a proposal—or they choose a part of what somebody else is going to propose that is going to be part of this tax plan and talk as if we are doing that in this budget resolution.

I am sure that before we are finished, a few people listening who did not want to learn about budget resolutions will learn a little bit because we have to talk a little bit of budget language but not very much.

Essentially, no one knows what the tax bill is going to look like. In fact, I am sure the Presiding Officer in his home state of Missouri has talked to his people as to what he thinks it is going to look like. I am quite sure he did not say that it is exactly, in every respect, what the President has proposed because we do not know that.

What we know is that $1.6 trillion out of a $5.6 trillion estimated surplus can be used for tax reduction for the American people. That is what we know—$1.6 trillion, not $1.6 trillion minus a whole bunch of things, such as the $156 billion we would take out of that tax reform proposal. We take it out and make it $156 billion less.

When that Medicare prescription drug plan comes up—and we will talk about our amendment—we will talk about what it ought to be, and it will be related to something very practical on which everybody can count. Then it will say that we do not need to take it out of the tax relief package if, indeed, it costs the maximum amount we are going to allow, which I do not believe it will. We would not be taking that money from the taxpayers. They would be getting their full tax cut. We would take it out of the contingency fund in this budget.

As I understand it, when I started, there were 20 minutes remaining on the amendment—10 minutes on the Democratic side on the amendment.

The PRESIDING OFFICER. Seven.

Mr. DOMENICI. That does not mean if someone wants to talk with the time coming off the budget resolution they cannot.

I want to finish our discussion on the amendment and offer our second-degree amendment and have a vote on it. It would be a very good thing for us to explain to the American people how we are going to take care of Medicare without reducing the tax cut Americans can look forward to in various forms. The committee that writes tax laws will write that particular bill.

If my friend is willing to move ahead so we can offer the amendment, I am willing to yield back——

The PRESIDING OFFICER. The Chair advises the Senator from New Mexico, there are 7 minutes under the control of the Senator from Montana and 23 minutes under the control of the Senator from New Mexico.

Mr. DOMENICI. I reserve the remainder of my time. I am finished for now, if the Senator from Oklahoma wants to speak.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I hope our Republican friends are not going to propose that we have a magic asterisk for a prescription drug benefit. I hope they are not going to come in with a second-degree amendment that says: We are just going to have this money come out of thin air somewhere, and we are going to provide an unspecified amount of money for a prescription drug benefit and not identify precisely from where that money is coming.

On our side, we have reserved the Social Security and Medicare trust funds in total for the purposes intended. We have not permitted a raid on those funds for any other purpose.

With what is left, we provided a third for a tax cut, a third for these high-priority domestic needs, including a prescription drug benefit fully funded, fully identified, and the final third to deal with long-term debt, strengthening Social Security so that when the baby boomers retire, that promise can be kept.

What I am hearing is that the Republicans may propose to open up the Medicare trust fund to provide a Medicare prescription drug benefit. That, to me, would be classic double counting. That trust fund for Medicare is needed to keep the promises that have already been made. If they are now going to make a new set of promises and fund it out of that same trust fund, that is the kind of double counting that will get this country into financial trouble. That is exactly what happened in the 1980s that plunged this country into dramatic deficits and a vastly expanded debt.

Let's put up the chart about what happened back in the eighties. I hope we do not forget the lesson we learned then. Let's go back to 1980 when we had the proposal for massive tax cuts combined with a big buildup in national defense. We can see what it did to the debt and deficits of the United States. The debt skyrocketed in the decade of the eighties.

If now we are going to hear this same old siren song—massive tax cut—and then we are going to also have big new spending priorities that are supposed to come out of trust funds that are already committed, that is exactly the kind of fiscal folly that did such damage back then. The difference is we had time to recover in the 1980s. There is no time to recover in this decade because, at the end of this decade, the baby boomers start to retire, and then we will see the full results of fiscal missteps, of fiscal mistakes. If we have oversubscribed this projected surplus, we will pay a terrible price as a nation.

I hope very much we do not go back to the bad old days of debt, deficits, and decline. That is not the way to proceed. Instead, we ought to be cautious; we ought to be prudent; we ought to reserve the trust funds for the purposes intended and not use them for any other purposes.

Mr. President, if I can inquire as to the time remaining on the budget resolution.

The PRESIDING OFFICER. The Republican side has 21 hours 53 minutes; the Democratic side has 20 hours 5 minutes.

Mr. CONRAD. I thank the Chair.

Mr. DOMENICI. How much was there on the Republican side?

The PRESIDING OFFICER. Twenty-one hours 53 minutes.

Mr. DOMENICI. Plenty of time. I suggest the absence of a quorum and ask it be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. 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. NICKLES. Mr. President, I ask unanimous consent the time I speak be charged to the Senate resolution.

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

Mr. NICKLES. Mr. President, I wish to make a couple of comments in regard to Medicare, Medicaid, and prescription drugs, and to speak in opposition to the amendment pending before the Senate now, offered by my friend and colleague from Montana, Senator BAUCUS. This amendment purports to say we will do something positive on prescription drugs. It actually takes drugs away from low-income people next year, in the year 2002 and the year 2003.

The underlying budget that Senator DOMENICI proposed in the President's budget put in significant dollars, $11.2 billion in 2002, $12.9 billion in 2003, and $14.8 billion in 2004, for low-income people, to get immediate assistance to help them buy expensive drugs. It employs medicaid to help those who can't help themselves; let's get that money to them, through the States, and make it effective now.

Unfortunately, the amendment before the Senate strikes that language. It eliminates the $40-some-odd billion of the President's Helping Hand Program and increases Medicare, raising taxes and spending, without Medicare reform.

I happen to be on the Finance Committee. I am in favor of Medicare reform. I want to improve Medicare and to provide prescription drug benefits. I think we can do that. To say we don't want to do anything for low-income people in the first 3 or 4 years, and to create a new entitlement for Medicare without reforming and saving Medicare simultaneously, in my opinion, is a serious mistake.

This amendment, while very well intended, would do damage to the system. It would not get prescription drugs to the people who desperately need help, and need help now.

Everyone in this body knows that Medicare is a ticking time bomb. We need to save it. We need to expand benefits—including prescription drugs—but it cannot all be done simultaneously. We can do it the right way, this Congress and in a bipartisan fashion.

Elimination of the Helping Hand Program, where we give assistance to those who need it the most, would be devastating. I urge my colleagues to work together, see if we can't do both, see if we can't get assistance to the States to help those who really need it, immediately, so we can have some assistance in the year 2002.

For an example, under the President's proposal there is $11.2 billion in the year 2002 for drug assistance for low-income people; under the Baucus amendment, there is only a $100 million expenditure for prescription drugs.

Certainly the Domenici proposal, the President's proposal, does a lot more in the year 2002.

I compliment my colleague from New Mexico. I urge our colleagues not to support the underlying Baucus amendment and see if we cannot come up with something to provide a prescription drug benefit in Medicare, as well as reforming Medicare. I disagree with those who say we shouldn't use Medicare trust funds to do that, to help pay for prescription drugs.

Medicare is financed by a payroll tax, on all wages, at 1.45 percent. That is matched by the employer, with another 1.45 percent. If my math is correct, that is 2.9 percent on all payroll. There was an enormous tax increase for Medicare that was enacted as a result of President Clinton's tax increase in 1993. This was when they increased the base for Medicare taxation away from the Social Security base, which right now I believe is $80,000. The Democrats put a tax on all wages, even if wages equal $1 million or $2 million or $10 million. A tax of 2.9 percent on all wages to help pay for Medicare.

The reason there is a surplus in Medicare funds is because of an enormous tax increase. Basically, it is a payroll tax. It is not a Medicare tax as we know it. It is a payroll tax increase passed by the Clinton administration in 1993.

This is a new tax for anybody who makes over the Social Security base amount, which used to be 70-some-thousand dollars and is now climbing up. Why not let those people help pay for Medicare prescription drugs? I heard the argument, we can't use Medicare tax to pay for Medicare benefit. I disagree with that. I don't think that makes sense.

I urge my colleagues to use common sense, to use Medicare funds to pay for Medicare benefits. That includes prescription drugs. Do it in context with overall Medicare reform. Increasing benefits, without fixing the system, when we know demographically we have some challenges ahead—is only doing a small part of the job. Unless we take every step necessary to reform and provide benefits we are making a mistake.

Mr. CONRAD. Will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. CONRAD. What happens, if you take a prescription drug benefit out of the Medicare trust fund, to the solvency of the Medicare trust fund?

Mr. NICKLES. Mr. President, I think my colleague raises an interesting point. What my colleagues have tried to do on the Democrat side is to institute a new Medicare benefit without financing it by Medicare. In other words, use general revenues to finance anything.

I think if it is Medicare, it ought to be financed under the Medicare system. Maybe that is old fashioned. But if we are going to give it the Medicare designation, that is what it should be. A lot of people want to move a lot of different funds and have general revenues subsidize Medicare, but Medicare taxation is growing, and growing substantially.

Let me give a couple of examples. Maximum taxation right now for a person who makes $76,000, paying Social Security and paying Medicare: Social Security tax equals $9,000; Medicare tax equals over $2,000. I remind my colleagues they have to pay for those taxes with aftertax dollars. They already have to pay income tax on those dollars to pay Social Security and Medicare tax. I am not sure everybody is aware of that. I think it is grossly unfair. Maybe one of these days we will be able to fix that. Right now, we haven't fixed it.

So people can understand this dilemma, a person who makes $80,000 has to pay $9,000 Social Security tax, $2,000 in Medicare tax, and they have to do it with aftertax dollars. So to pay that $11,000, in reality they have to make about $14,000 or $15,000. That is the present system.

Now our colleagues are saying: That is not enough; we want to have a whole lot of general taxation—in other words money coming out of your income tax to also pump into the system because we are increasing benefits faster than you can pay for them. That is the argument that is being made on the other side. I disagree with that.

I think to just say let's increase new benefits and to have it outside of any Medicare reform is grossly irresponsible. I tell my friend and colleague, I do not think that makes sense.

I have a couple of other comments on the exploding cost of Medicare. You can almost take whatever estimate is out there and multiply it by two or three and it is still not going to be enough. Many people are proposing prescription drug benefit. If you have a prescription drug benefit that some people are advocating and you do not have proper cost controls and so on, this cost can explode.

Last year in the budget resolution we had a couple of Medicare provisions. We said, let's have $20 billion we can put in immediately and another $20 billion contingent on Medicare reform, for a total of $40 billion over 5 years.

Then, if I remember, the Senator from Virginia, Mr. Robb, came up with an amendment on the floor that said that is not enough. Let's come up with another proposal, let's do it to the tune, if I remember, of $248 billion. That was his proposal. We voted on that proposal. We defeated that proposal. That proposal had enormous cost impacts and an enormous cost share of up to $80 copays, a huge expense. Yet it still was not enough for the Democrats.

Now we have a proposal that is not 100 and not 40 over 5, not 138—that is the President's proposal—over 10. Somehow that is still not enough, even though it is a lot more than we passed last year. The Democrats want to double the President's figure.

They have not calculated a program and they do not have an estimate of what the copays are going to be. They don't have anything. They say whatever you have, we are going to double it and you cannot use Medicare funds to pay for it. That simply does not make sense.

If somebody makes $1 million, 2.9 percent of that is $29,000. There are a fair number of people who make that amount. There is a lot going into Medicare, and we are not going to let them use some of that money for prescription drugs? That is the argument being made on the other side. It just does not make sense.

I urge my colleagues to go about dealing with prescription drug benefits in a fiscally responsible way, not just to try to score points. It is not responsible to double the figure just because there is political capital in doing so. Let's work together to come up with something that is financially responsible, that is solvent, that will not be putting our kids at a disadvantage.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I was very interested to hear the lack of response to the question that the Senator from North Dakota posed to the Senator from Oklahoma. The Senator from Oklahoma answered every question except the one that was posed to him. The simple question that was asked was what happens to the solvency of the Medicare trust fund if you use money out of that trust fund to provide a prescription drug benefit?

The correct answer to that question is, you reduce the solvency of the Medicare trust fund. You make the trust fund go broke even sooner. That is what this chart shows.

If you raid the Medicare trust fund to provide a prescription drug benefit, you make Medicare go broke sooner. That is why we on our side have taken the fiscally responsible course. The fiscally responsible course is to pay for a prescription drug benefit but not to touch one dime of the Social Security trust fund or the Medicare trust fund because that only endangers the solvency of those trust funds.

So we have proposed a fiscally responsible plan, one that protects every penny of the Social Security trust fund, every penny of the Medicare trust fund, and then, with what remains, provides a tax cut with one-third of the money; with one-third of the money provides for the high-priority domestic needs including a specific program for prescription drugs. No, no, this is not just a matter of putting up a number. This is based on policy. This is based on a plan that is a prescription drug plan that is universal. Everybody who is eligible for Medicare can sign up. It is voluntary. If you do not want to belong, you do not have to belong. It provides enough support so people would actually be in the program, so you are not just getting the sickest people in and have a program that will not stand scrutiny over time. Then, with the final third, to fund this long-term debt that is growing because of our Social Security liability.

That is a fiscally responsible plan. We do not rob Peter to pay Paul. We do not raid the Medicare trust fund to provide a new set of benefits when you need the money in that trust fund to keep the promises already made.

The correct answer to the question I posed to the Senator from Oklahoma is, if you take money out of the Medicare trust fund to fund a prescription drug benefit, you hasten the insolvency of the Medicare trust fund. It goes broke sooner. We should not do that. That is a mistake.

I thank the Chair.

The Senator from Montana wants time off the resolution?

Mr. BAUCUS. Five minutes?

Mr. CONRAD. I yield to the Senator from Montana for 5 minutes.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I listened closely to my good friend, the Senator from Oklahoma, and his basic arguments against the pending amendment. As I heard him, he had a basic argument that the pending amendment would not provide benefits fast enough. I take it that he would rather follow the provisions contained in the budget resolution, which he believes will get benefits to seniors more quickly.

I do not know if my good friend knows, whenever we have tried that in the past—that is, block grant programs like CHIP—it takes States a couple of years at least to implement the program. It is never something that comes up and is implemented right away.

Second, a lot of States do not want the provision that is contemplated in the budget resolution. Why don't they want it? Because they cannot afford it. They do not have the matching funds.

Furthermore, some State legislatures like Montana's meet every other year. Consequently, it would take a couple of years for those States to enact the measure that is contemplated by the ideas of the Senator from Oklahoma.

I might also add, for those States that already do have a plan in place, they will just use the Federal money to substitute for the State money. It is a zero sum game. We are not adding anything. The evidence and testimony before our committee are clearly along those lines.

I might also say that if the majority is thinking of getting a prescription drug benefit out of the contingency fund we hear so much about, they should just work out the numbers. I know these are the numbers the Senator from Oklahoma is working off of. They show that in the years 2005 to 2006, the contingency fund for those years will be in deficit by about $5 or $6 billion. That means that if there is any kind of meaningful prescription drug benefit program, it has to come out of the hospital insurance trust fund. There are only two places it can come from.

We need to provide help for our States—particularly rural States—and rural hospitals. It is difficult for them to makes ends meet under Medicare. It is important for all of us to remember that more than half of the income for some rural hospitals is from Medicare receipts. Raiding the hospital trust fund would hurt those rural hospitals, and that's not something we want to do.

I also want to lay to rest a misconception that might exist. The amendment I am offering contemplates Medicare reform. It does not preclude Medicare reform. In fact, the chairman of the committee and I, my staff and the staff of the chairman of the committee, have been talking about different Medicare reform options to go with a prescription drug benefit. It is true that there are all kinds of different Medicare reform provisions. Obviously, the most extreme are not going to be passed this year.

My amendment basically says, OK, there is probably not going to be enough money in the contingency fund.

And if our only other option is the hospital insurance trust fund, we certainly don't want to do that. I suggest taking a very small sliver out of the President's tax cut proposal—about $158 billion—to fund a prescription drug benefit for our seniors. That $158 billion would supplement the $153 billion that is already contained in the budget resolution, providing $311 billion total for a prescription drug benefit that is going to work and that is paid for.

I believe that when you do something, you should do it now, and do it right the first time. ''Right the first time'' for me is enough to come out to get the program started.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. CONRAD. Mr. President, how much time will the Senator from North Carolina need? I will provide 10 minutes off the budget resolution.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 10 minutes.

Mr. EDWARDS. Thank you, Mr. President.

We are at a unique time in our country's history. We have an opportunity to do things that we haven't had the chance to do before. But in order to take advantage of this unique moment in our country's history, we must make the right decisions and make the right choices. I think we have to begin by being straight with the American people.

First, we need to be honest about the fact that none of us know what is going to happen 5, 6, or 7 years from now. For us to suggest otherwise is nonsense. The American people do not know what is going to happen, and we don't know what is going to happen. Any reputable economist in the country will say that there is no way to predict what is going to be happening 5 or 6 years from now in our economy.

Second, in being straight with the American people, we need to stop suggesting that we can have it all. There is a suggestion being made by some people in Washington that, in fact, we can have it all. We can have a huge tax cut. We can do everything we need to do for our public school system. We can give you prescription drugs. We can do everything we need to do to help our military men and women. We can have everything. Well, that is not the truth. That is not being straight with the American people. And I think the American people know this.

There are two basic principles around which I hope this debate will revolve. First, we don't know what is going to occur 5 or 6 years from now; second, no American family can have everything and we as a nation can't have everything.

First, on the issue of what is going to happen 5 or 6 years from now, what we know from experience is that when budget surplus projections were made—actually, they were talking about the deficit at the time in the Reagan administration—the projections were off by hundreds of billions of dollars. When George Herbert Walker Bush was President of the United States, exactly the same thing occurred. The projections were off by hundreds of billions of dollars. The same occurred in the Clinton administration. Common sense would tell us that the current projections are just as speculative. The Secretary of the Treasury and Chairman Greenspan have all suggested exactly the same thing.

So what we know with certainty is that we cannot predict where we will be 5 or 6 years from today.

The President's tax cut is loaded to the last 5 years of their 10-year period. The bulk of the costs and the bulk of the benefits fall in that last 5 years. It is also during that last 5 years that most of the projected surplus falls.

We have two things occurring simultaneously. The bulk of the costs of the tax cut and the benefits occur at exactly the same time that the bulk of the surplus projection occurs, and also at the same time that those surplus projections are riskiest, when they are least reliable.

Does it make common sense for us to have a huge tax cut, the bulk of which coincides with the time when the surplus projections are at greatest risk for being wrong? We know these projections are going to be wrong. That is the one thing we don't have any doubt about. We just do not know how wrong. And we need to be straight with the American people about that.

So knowing these projections are going to be wrong, what is the sensible thing to do? The sensible thing to do is to have a more moderate tax cut that protects Social Security, that protects Medicare, and make sure the tax cut is fair to all the American people.

If 5 or 6 years from now—and we can't predict right now what is going to occur—the surpluses actually exist, and we have enacted a moderate tax cut, we have done everything we can to pay down the debt, and if we have protected Social Security and Medicare, we can do something else. We can do another tax cut.

In the alternative, or even in addition, we can also do something about what we know is coming in the next decade—the retirement of the baby boomers. No one is talking about that, but this is going to put a tremendous strain on the Social Security system. But we know it is coming.

One suggestion which has been made by the Concord Coalition is that we have mandatory IRAs; that we use some part of the surplus at that point to provide mandatory IRAs to the people around the country, which helps deal with the demographic shift that we know is coming in the next decade. This is something we can talk more about, but we need to start focusing on this before it is too late.

What I am suggesting is the common sense thing to do, knowing the unreliability of the surplus projections, knowing that we need to pay down our debt, knowing that we need to protect Social Security and Medicare, is to have a more moderate tax cut now and to pay down the debt to the extent we are able to pay it down.

No one in this body wants to saddle our kids with these huge interest payments that are being made now on our national debt. And we don't want to pass the debt itself on to our kids either. The best thing we can do for them is make sure we pay down this debt.

In addition to that, we don't want to make our kids take care of us because Social Security is insolvent. They shouldn't have to take care of us because we failed to protect Social Security.

We have an extraordinary opportunity to address these problems right now. The key is that we not squander it.

Second, I want to emphasize that we must be straight with the American people and not suggest to them that they can have everything. It is just not the truth.

We can have a tax cut, and we should have a tax cut. But we can't have a tax cut of the size the President is proposing and do all the other things that are being talked about—education, for example.

Having been to schools all over my State in North Carolina, I know how desperately we need to make a real effort to improve our education system in this country.

We have actually done some great things in North Carolina. Some of what the President is proposing is patterned after North Carolina—tough accountability, measurement, identification of the schools that are not performing, that are low performing, and making an intense effort to turn those schools around.

This is what we did in North Carolina when we went through that process and identified the schools that were low performing, in addition to having tough accountability, we sent real experts in to turn the schools around. In those schools that are in poor school districts that did not have the resources, we helped them; we gave them the resources they needed to turn the schools around.

We know that needs to be done. Unfortunately, under this budget resolution, that is probably impossible. We cannot expect to have effective education reform if we don't commit ourselves to do what is needed. We have to have a balanced, thoughtful approach to this issue.

Secondly, I want to mention our military men and women. We have military bases that are very important to us in North Carolina. I have been there. I have talked to our military men and women. These are people who are devoting their lives to protect us, to defend us. They have, in many cases, inadequate housing. Some of them are having to live on food stamps. This is an embarrassment to us as a nation.

We have to do something for our military men and women. The problem is, we can't do everything. We can't have a huge tax cut and still do what needs to be done in these other areas. But what we can do is have a more moderate tax cut that doesn't jeopardize our commitment to important national interests and that doesn't jeopardize Social Security and Medicare. And most importantly, we can pay down the debt, not saddle our kids with it.

What we ought to do is not spend money we do not have, to not spend money if we have no idea whether it will ever come into existence. Why is that not the responsible thing to do?

The PRESIDING OFFICER. The 10 minutes allotted to the Senator has expired.

Mr. EDWARDS. Mr. President, I ask unanimous consent for an additional 5 minutes off the resolution.

The PRESIDING OFFICER. Does the Senator from North Dakota yield an additional 5 minutes?

Mr. CONRAD. I am glad to give 5 minutes off the resolution.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 5 additional minutes.

Mr. EDWARDS. I thank the Chair.

Mr. President, the key to this—in this debate, and in our discussion, our dialog with the American people—is that we tell them the truth. We do not know what is going to happen 5 or 6 years from now. In addition to that, we have to be responsible when we decide what to do about this budget resolution. They can't have everything. They know it. American families can't have everything they want, and they know as a nation that we can't have everything we want.

We also have to make absolutely sure that this tax cut we enact is fair; that it is fair to everybody; that the benefits are not directed at a particular part of our society. We need to make sure that everybody gets a benefit—including those people who work but only pay payroll taxes and don't pay income taxes; those people need to be included in any tax cut.

We need to make sure it is balanced so that middle-income people all across this country get a substantial benefit, so that working families get a substantial benefit.

So the principles we should be guided by are: No. 1, having a moderate, fiscally responsible tax cut; No. 2, making sure Social Security and Medicare are protected; and, No. 3, making sure this tax cut is fair—fair to all Americans, not unfairly benefitting one part of our society.

In conclusion, we are at a remarkable moment in our country's history. We have a chance to have a real impact not only over the course of the next decade but over the course of the next century. But we can only do it if we make the right decisions, if we are careful and deliberate and thoughtful, and if we are straight with the American people. We can have a balanced, moderate tax cut, giving real tax relief to the American people. We can pay down our debt, which is the responsible thing to do. We can preserve and shore up Medicare and Social Security. And we can have a tax cut plan that is fair to all Americans. But in order to do that, we have to begin by telling the American people the truth. And the truth is, we don't know what is going to happen 5 or 6 years from now, and they can't have everything.

We as a nation have important decisions to make. We have important choices to make. Those choices are going to have consequences for our country, and for our children.

Mr. President, I yield the floor.

Mr. NELSON of Florida. Mr. President, will the Senator from North Carolina yield for a question?

The PRESIDING OFFICER. The Senator from North Dakota controls the time.

Mr. CONRAD. I am happy to yield time off the resolution to the Senator from Florida for the purposes of a question or for any other purpose.

Mr. NELSON of Florida. The Senator from North Carolina has made such a compelling argument. I just want to question him about his people in North Carolina and their feelings about paying down the national debt. Would he further expound on that?

Mr. EDWARDS. I have town hall meetings all the time with people in North Carolina, I say to Senator Nelson. Over and over people tell me exactly the same thing, which is, they know that we need to pay off the national debt. They know it is really important to them that their kids not be saddled with this debt and the interest payments on the debt. They know that what has happened over the course of the last 8 or 9 years is we have taken a course of real responsibility. It is one of the reasons we have had such extraordinary economic growth, such extraordinary productivity. They know that in their gut. They do not need an economist to tell them. They know it. They know when they owe money they pay it back. That is what they expect our government to do. They do not want their kids saddled with this debt. So they think it is critically important. I agree with that.

Mr. NELSON of Florida. I suspect the people in North Carolina know, as do the people in Florida, that if there is an available surplus out there over the next 10 years, we ought to use it wisely, be fiscally disciplined; and one of the first priorities should be that we pay down the national debt—that we leave some, after we enact a tax cut, in order to be able to pay down the national debt.

Mr. EDWARDS. I say to the Senator, I think that is the only responsible thing to do under the circumstances. That is what I hear from folks in North Carolina. The truth of the matter is, they do not need some fancy projection or some economist to come tell them. It is just common sense. It is the sensible thing to do. And they know it is the sensible thing to do.

Mr. NELSON of Florida. I thank the Senator for yielding.

Mr. EDWARDS. I thank the Senator for the question.

Mr. NELSON of Florida. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, when Senator DOMENICI wants the floor to do something, I will yield. But I want to yield myself such time as I might consume off the resolution to speak about the issue that has been discussed on the other side of the aisle.

I do not question the sincerity of the people who have been speaking to the point that we need to know what is down the road before we give tax cuts. The only thing that is strange about that argument is, they use that argument now, at a time when we have an opportunity to let the people keep some of their own money, at a time when we can have tax relief for every taxpayer who pays income tax.

This somehow is a little bit unjust, to bring up the argument that maybe we can't quite see what the future holds down the road, so we shouldn't give a tax cut. For decades, I have served in Congress, listening to issues of spending—whether or not we should spend more money. I never heard these arguments back in the days of deficits. No one ever said that we could not see down the road far enough, so we should spend a little bit less.

It seems to me that it's very inconsistent to use this argument. I am not questioning the legitimacy of it; I am questioning the fact that it is used when we are talking about tax relief for working men and women, while at the same time, they don't use it when talking about whether we ought to spend more money. Spending more money, without consideration of what is down the road, got us into 28 years of unbalanced budgets and driving up the big budget deficit that we had. So we ought to be as concerned about it on one side of the ledger as we are on the other. I think it is very important—when we are talking about tax relief and the priorities in the budget—that we always keep in mind that the American people are suffering from the highest level of taxation, as a percentage of the gross domestic product, since World War II.

Right now, the rate of tax is 20.6 percent of GDP.

What does 20.6 percent of GDP mean? Compare it to a 40-year average of around 19 percent. Does 19 percent going up to 26.6 percent mean much? Yes, it means a lot, because that money is run through the Federal Treasury. This means political decisions are made on how it is going to be spent. This process does not create new wealth. If it is in the pockets of the taxpayers, whether it is spent or invested, it is going to create new wealth. Money in the taxpayers' pockets turns over many more times in the economy than if government spends it. Wealth is created only in the private sector. Government does not create wealth, it expends wealth.

This situation is as if you had a 7-percent mortgage and you received more income than originally intended. Would you pay down your mortgage at 7 percent or would you invest it in something that was going to pay 9 or 10 percent? If you are a good business person, you are going to invest it in something that pays a higher rate of return.

Returning this money to the taxpayers is going to give us a higher rate of return. It will keep us in line with the 19 percent of the gross domestic product which has been paid to the Federal Treasury as taxes from the American people. Hopefully, it will keep us at a level of expenditures around the same amount or a little bit less than we have spent in the past. This way, we will not build up artificially high levels of expenditures. If taxes grow to 21 percent, we could have a downturn in the economy. Our spending never goes down. We would keep our spending at the high level and then return to the days of deficit spending.

From a standpoint of consistent policy, the level of taxation ought to be the policy which we have had for a long period of time. Taxpayers consider our historical level a legitimate level of taxation, and no economic harm has come from it because the last 20 years have been the best economic years this country has ever had.

From the early days of Reagan through President George W. Bush, these are the best 20 economic years this country has ever had. It is because we have had a fairly consistent policy of taxation that has rewarded productivity and not overtaxed people. Taxes that come to Washington are inefficiently expended.

Also, if we do not do something about that 20.6 percent, at the end of this decade it is going to go up to 22.7 percent. It will continue to grow. The reason it will continue to grow is that we have real bracket creep which increases taxation. You go from one bracket to a higher bracket. We have indexation of taxes, but that is to offset inflation. We have real bracket creep when money is earned at higher levels by individuals, that is how we get this high level of taxation.

Look at the individual income tax. The income tax 4 or 5 years ago was coming in at about 7.2 percent of gross domestic product. I am talking just about the individual income tax. Of all the taxes that come into the Federal Treasury, individual income taxes were a little over 7 percent of GDP. They are now over 10 percent of GDP. This is a very dramatic increase in the money coming into the Federal Treasury from income taxes. From that standpoint, it seems to me this is another reason the people deserve income tax relief.

The individual income tax burden has doubled since President Clinton's tax increase in 1993. That was the biggest tax increase in the history of the country. Reducing the biggest tax increase in the history of our country is where the Bush plan focuses its relief.

For the nervous nellies of the Senate who are concerned about whether we can see down the road far enough when it comes to tax decreases but are not so concerned about seeing down the road of the future when it comes to expenditures, they ought to have some confidence in Alan Greenspan. Mr Greenspan says that over the long term, if the Federal Government continues to collect tax revenue at this record rate, the Federal Government will either spend the money or become a significant holder of private assets.

The Federal Government becomes a significant holder of private assets when it has paid down every penny of the national debt that has come due and it cannot pay down any more without paying tremendous premiums for calling in the bonds. There are some savings bonds we would not want to call in, whether it is young kids saving money through savings bonds or older people who have their money in savings bonds. They think it is very safe.

There may be some of those instruments that we will want to allow people to have for their own well-being. We can pay down every cent on the national debt that can be paid down. But when we get too much money coming in, it burns a hole in our pocket, it will be spent. We do not want that to happen. Suppose it does not burn a hole in our pocket and we do not spend it. What are we going to do with it? We are not going to put it in a mattress at the Treasury Department. We are going to go into the market and buy things that will produce a return on that money. We do not want the Federal Government upsetting the financial markets by buying things on Wall Street or even certificates of deposit. When the Federal Government goes into the market, it goes in a big way that distorts the market. We should not have the Government doing that.

Everybody seems to be hung up on this $1.6 trillion tax cut. The $1.6 trillion tax cut is my personal preference, not that there is anything magic about it, but it is something we have talked about in an election. A person who is elected ought to perform in office commensurate with the rhetoric of that campaign. Consequently, if anybody is surprised about President Bush suggesting $1.6 trillion as tax relief for working men and women, the only shock they should have is that there is now somebody in office who ran on a platform and is presenting the program on which he ran.

That is unusual in politics at all levels in America. This President is determined to help reduce the cynicism towards Government, so most of the ideas he has suggested to Congress in his first 100 days in office are those ideas on which he ran for office, and he wants to perform in office according to that.

I am fortunate as chairman of the Senate Finance Committee to be able to work with the President who has goals I have been trying to accomplish before he ever decided to run for President. I am glad to be able to work through some pieces of legislation that are on his program, which is legislation I have wanted to accomplish.

It is quite easy for me to work for this program, and work for the tax relief for working men and women. Some of these parts of the tax package are parts on which I voted to support. Pieces of program have passed the Senate and House and were vetoed by the previous President. We now have a chance to get these through the Congress, have them signed by the President, and give working men and women tax relief. I hope we move forward on these tax issues.

Most importantly, for people on the other side who are nervous about a tax cut based on 10-year projections, remember, these are nonpolitical people making these projections. They don't have a 1,000-percent batting average. I have noticed them getting much better in the years I have been in the Senate. They seek outside advice and outside predictors of the economic future may be, and compare that information to their own results. They take a fairly intermediate course, not one that projects the most rosy scenarios for the future or the least rosy scenarios for the future, but intermediate scenarios. That is a fairly responsible approach.

For those concerned about taxes, I hope those Members are as consistent and concerned when it comes to expenditures as well. I hope you are just as cautious in making expenditures, not knowing what the future holds, as you want everybody else to be when it comes to tax reductions.

I wonder whether or not the people who are concerned about whether we can look 10 years into the future to make budget policy have any concerns about the fact that Jack Kennedy had a tax cut in 1963, bigger than the tax cut we are talking about, and it only looked ahead 1 year. When the second biggest tax cut of this half century was in 1981 under President Reagan, I don't know that there was any concern that we only looked ahead 5 years at that time. We are trying to look further ahead because it is a wiser way to make public policy.

On the other hand, I wonder how the very same people, raising the very same concerns about not being able to look down the road far enough to make a decision, ever got nerve enough to take out a 30-year mortgage. Surely they had to go to their banker. They had to ask the banker, can I get a 30-year mortgage? They had to show the banker they had the ability to repay that loan over the next 30 years. They had to think for the next 30 years, what is my income going to be? Will I ever be fired? They got a loan, I bet, based upon having some sort of confidence in the future.

That is how we go about making a decision on handling the $28 trillion that is coming into the Federal Treasury over the next 10 years. We decided that a lot of it will be spent and we had to accommodate for inflation during that period of time. We built in 4-percent increases just for inflation and some growth each of the next 10 years. That is all figured into the $28 trillion that is coming in before we figured that we had a $5.6 trillion surplus. Out of the $5.6 trillion surplus, we take all of that money that is in trust funds and put it off the table. We take $1.6 trillion off the table for a tax cut, and what we have left for emergencies is $900 billion. This can be used of prescription drug programs for senior citizens, and unanticipated expenditures.

We have been very cautious as we approach the future. We use the same tools at hand that any citizen has in looking into the future as they borrow or make plans on what they will spend down the road. Two trillion dollars is a lot of money. My guess is this growth of the economy has been figured conservatively enough that we will have much more than that over the next 10 years. We just have to wait. I think this is doable.

Some of my Republican friends said this tax cut ought to be a lot more than $1.6 trillion. I think it is important to build confidence. I think intellectually we can show it is doable. We can pay down every cent on the national debt that can be paid down over the next 10 years. We can have prescription drugs, fund our priorities, and still keep money for working men and women to be further rewarded for the fruits of their labor and the fruits of their minds that have given us this great economy and the great economic growth we have had.

Mr. DOMENICI. Will the Senator yield?

Mr. GRASSLEY. I yield the floor.

Mr. DOMENICI. We are ready to ask for a unanimous consent.

I ask unanimous consent Senator GRASSLEY be recognized to offer an amendment on behalf of himself, Senator SNOWE, Senator DOMENICI, Senator COLLINS, Senator FRIST, and others who want to join on our side. That is an amendment in the first degree regarding Medicare and prescription drugs. I ask that the time between now and 5 o'clock be equally divided for debate on both amendments, and following the use or yielding back of that time, the Senate proceed on two consecutive votes, the first on or in relation to the Grassley amendment, which I have just described as to its cosponsorship, to be followed by a vote on or in relation to the Baucus amendment, without any intervening action or debate, and that no second-degree amendments be in order to either amendment.

Mr. REID. Reserving the right to object, would the Senator from New Mexico agree, prior to the second vote, there be 2 minutes equally divided.

Mr. DOMENICI. Two minutes equally divided, of course.

The PRESIDING OFFICER (Mr. BROWNBACK). Without objection, it is so ordered.

Mrs. CARNAHAN. Mr. President, seniors' ability to afford prescription drugs is a very serious problem. Too many seniors have to make a painful choice between paying for medicine or paying for rent and food. I have heard from many Missouri constituents on this issue. It is time that Congress enacts a comprehensive prescription drug benefit for all seniors. This is why I am cosponsoring and supporting the amendment to the Senate budget resolution that would create a voluntary prescription drug benefit for all seniors through the Medicare program.

The Democratic amendment makes an investment in an affordable, accessible, and meaningful prescription drug benefit for all beneficiaries. Instead of making a real investment in a Medicare prescription drug benefit, the Republican budget resolution invests only $153 billion over 10 years in this critical initiative. This investment is nowhere near sufficient to meet the need.

The size of the Republican leadership's tax cut would make it impossible to provide the additional investment needed to meet the demand of this important national priority. The Democratic amendment would reduce the tax cut by $158 billion over 10 years and invest a total of $311 billion over 10 years in a Medicare prescription drug benefit for all beneficiaries.

The Democratic amendment to the budget resolution proposes a prescription drug benefit for all Medicare beneficiaries that does not use funds from the Medicare or Social Security surpluses. The amendment will provide a benefit that is voluntary, gives beneficiaries meaningful protection, is affordable to all beneficiaries and the program, and ensures access to the drugs seniors and people with disabilities need at the pharmacies they trust. In addition, it is consistent with broader Medicare reform.

It is time that Congress act on this important matter.

Mr. REED. Mr. President, I rise today to offer my support for the Baucus-Graham Medicare prescription drug amendment. The amendment sets a total of $311 billion for the creation of a Medicare prescription drug benefit. The need for a prescription drug benefit under Medicare grows each and every year. Unfortunately, the budget resolution currently before us fails to meet our seniors tremendous need in this area.

Advances in medical science have revolutionized the practice of medicine. And the proliferation of pharmaceuticals has radically altered the way acute illness and chronic disease are treated and managed. Further fueling these advancements have been annual increases in the budget of the National Institutes of Health, NIH. This year, the NIH is slated to receive an increase of $2.8 billion, which not coincidentally just happens to be equal to the total increase in the entire Department of Health and Human Services, HHS, budget.

While the allocation of $153 billion for both Medicare reform and the creation of a prescription drug benefit is probably the most blatant example of how our most vulnerable citizens are being shortchanged by the budget resolution, the overall budget for HHS is laden with vital programs that are being decimated so the Administration can fund an ever-growing and misguided tax cut. However, we will not know exactly which programs have been sacrificed until after the budget resolution has already passed.

With regard to pharmaceuticals, I am deeply concerned that we are creating a situation like the classic story of Rapunzel, except in this case, scientists and remarkable new medical treatments are in the ivory tower and the people who would most benefit from these lifesaving advancements are on the other side of the moat with no bridge.

Thanks to the years we held the course of fiscal discipline, we now have a historic opportunity to fund our nation's priorities, prepare for future expenditures and return some of the remaining surplus back to the American taxpayer. Later this week, an alternative budget resolution will be offered which I believe strikes the right balance of fiscal discipline and investing in our priorities. It includes adequate funding for a universal Medicare prescription drug benefit for every senior in America.

We are already painfully aware of the fact that remarkable advances in medical science, particularly in the area of pharmaceuticals, do not come without a cost. Since 1980, prescription drug expenditures have grown at double digit rates and today prescription drugs constitute the largest out-of-pocket cost for seniors. For millions of seniors, many of whom are living on a fixed income and do not have a drug benefit as part of their health insurance coverage, access to these new medicines is simply beyond reach.

Even more alarming, it is estimated that 38 percent of seniors pay $1,000 or more for prescription drugs annually, while 3 in 5 Medicare beneficiaries lack a dependable source of drug coverage. This lack of reliable drug coverage for today's seniors is reminiscent of the lack of hospital coverage for the elderly prior to the creation of Medicare. Back in 1963, an estimated 56 percent of seniors lacked hospital insurance coverage. Today, after all our investments in health care and prevention, 53 percent of seniors still lack a prescription drug benefit. This is unacceptable.

The need for a Medicare prescription drug benefit is a top concern for the elderly and disabled in my home state of Rhode Island. Many seniors continue to be squeezed by declines in retiree health insurance coverage, increasing Medigap premiums and the capitation of annual prescription drug benefits at $500 or $1000 under Medicare managed care plans. Seniors in my state are frustrated and burdened both financially and emotionally by the lack of a reliable prescription drug benefit. As their Senator, I am committed to doing all I can to relieve them of this tremendous burden.

While the need for a prescription drug benefit is clear and the desire on the part of some members of Congress is there, action on Medicare prescription drug legislation has been slow. I sincerely hope that this chamber can have the courage to fulfill the promise we made over 30 years ago to provide for seniors' health care needs. Clearly, in today's world that means the provision of prescription drug coverage. The time is now to make the step from rhetoric to action on a Medicare prescription drug benefit. We should all feel compelled to seize this opportunity to strengthen and enhance Medicare for the new millennium.

Mr. DOMENICI. I believe Senator GRASSLEY has the proposed amendment.

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume.

AMENDMENT NO. 173 TO AMENDMENT NO. 170

Mr. GRASSLEY. I send an amendment to the desk and ask for its immediate consideration. This is for Senator GRASSLEY, Senator SNOWE, Senator DOMENICI, Senator COLLINS, and Senator Frist.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself, Ms. SNOWE, Mr. DOMENICI, Ms. COLLINS, and Mr. FRIST, proposes an amendment No. 173 to amendment numbered 170.

Mr. GRASSLEY. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 49 strike lines 15 through line 6 on page 50 and insert the following:

SEC. 203. RESERVE FUND FOR PRESCRIPTIONS DRUGS AND MEDICARE REFORM IN THE SENATE.

If the Committee on Finance of the Senate reports a bill or joint resolution, or a conference report thereon is submitted, which reforms the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and improves the access of beneficiaries under that program to prescription drugs, the Chairman of the Committee on the Budget of the Senate may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by the bill, joint resolution, or conference report but not to exceed $300,000,000,000 for the period of fiscal years 2002 through 2011. The total adjustment made under this section for any fiscal year may not exceed the Congressional Budget Office's estimate of the President's medicare reform and prescription drug plan (or, if such a plan is not submitted in a timely manner, the Congressional Budget Office's estimate of a comparable plan submitted by the Chairman of the Committee on Finance).

SENATOR GRASSLEY'S TALKING POINTS ON HIS MEDICARE AMENDMENT TO THE BUDGET APRIL 2001

Mr. GRASSLEY. Mr. President, the amendment I am offering with Senators SNOWE, DOMENICI, COLLINS, and FRIST this afternoon represents Senate Republicans following through on our commitments. We joined President Bush in committing to strengthen and improve Medicare to meet the needs of older Americans. And the amendment I am offering demonstrates that we will keep that promise.

This amendment provides the flexibility necessary for the Finance Committee to craft legislation that not only provides necessary reforms and improves access to prescription drugs, but does so in a responsible fashion—so we're not left with uncontrollable spending.

I hear from constituents all the time about things in Medicare that need to be updated. And while prescription drugs is the most visible improvement, it is surely not the only one.

Medicare is operating on a system that is almost a half-century old. There is little doubt in anyone's mind that this system is not only out-of-date, but that it cannot support the surge of baby boomers that will enter the program over the next decade.

We owe it to our beneficiaries to provide high-quality 21st century medicine, we owe it to our providers to let them deliver the care they were trained to provide instead of spending all of their time on paperwork and regulations, and we owe it to our taxpayers to make sure we're spending every dollar wisely—and not wastefully.

I think we have a real opportunity to get Medicare legislation done this year and the amendment I am offering today allows us an opportunity to do just that.

I look forward to working with the President and my colleagues here in the Senate to craft a Medicare proposal that makes sense for beneficiaries and that is fiscally responsible for our taxpayers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, my good friend from Iowa, my chairman, is attempting, in a good-faith way, to figure out how we are going to get a greater prescription drug benefit to our seniors. It is clear our seniors need it. The only question that is facing this body is simple: which of the two alternatives, the one offered by the chairman or the one offered by myself, is more likely to get them the benefit?

The circumstance is a bit awkward, a bit difficult. My chairman and myself are offering competing amendments. In a real sense, they are very similar. It is about the same thing. We are both trying to get a prescription drug benefit, and in each case the amount is roughly the same, $300 billion. The amendment of the Senator says up to $300 billion over 10 years. The amendment I am offering says we will add $158 billion to the current $153 billion. That comes out to $311 billion. So we are both talking about $300 billion total in prescription drug benefits for the next 10 years for our senior citizens who, essentially, are currently not covered.

The question really is, Why are we here? We are both talking about $300 billion. What is the big deal? Why don't we just agree and get on with the other amendments?

The point is there is an honest, good-faith difference of opinion as to which of the two is more likely to provide the actual prescription drug benefits. The amendment I have offered very simply states we will take $158 billion out of the $1.6 trillion tax bill and add that to the budget resolution of $153 billion, which means a specific $311 billion for prescription drug benefits which includes reform.

My amendment does not in any way preclude Medicare reform. Certainly, Medicare reform has to be addressed, and I think we should begin to address it this year in the Finance Committee.

The amendment offered by my chairman—he is a great guy, I might add. He is a great Senator and great chairman of the committee. But I think we have a little bit of an honest difference of opinion as to which approach is more likely to get the result. His amendment, if I might read it, is very simple. I will cut out the useless words and just state the pertinent words: If the Committee on Finance of the Senate reports a bill or a joint resolution which reforms the Medicare program and improves the access of beneficiaries, the chairman of the Budget Committee may—underline the word ''may''—revise committee allocations that are appropriate.

It goes on to say the total adjustment made may not exceed the Congressional Budget Office estimate of the President's Medicare reform and prescription drug plan.

Basically, there are several soft phrases and soft words which raise questions as to the degree to which this is going to come to pass. The first soft word is ''if'' the Committee on Finance. It doesn't direct the Committee on Finance to report out a prescription drug bill. It just says ''if.'' Of course, who knows what the Committee on Finance is going to do if it is not mandatory.

Second, it provides even if the Committee on Finance reports out this bill, the committee on budget ''may'' revise committee allocations. Not that it shall revise committee allocations, only that it may.

I think there is probably a pretty good reason why the word is ''may'' and not ''shall.'' That is, to be honest, because we do not have the dollars. The contingency fund—everybody has a claim to it. It most likely will not be there. The only other alternative is to go into the hospital insurance trust fund. We certainly do not want to do that.

The practical result of this amendment, it seems to me, from any fair reading, is that most likely—even though we intend to have the dollars there, intention is not enough—as a practical matter, the dollars are not going to be there so we will not have a meaningful prescription drug benefit.

It also provides the chairman of the Budget Committee ''may'' provide this allocation only ''if'' it does not exceed the estimate of the President's plan in Medicare reform. So it really precludes us in the Senate from adopting any prescription drug plan or Medicare reform plan other than the President's. I think we should have a little leeway on what we are doing.

So the alternative we face is very simple. It is a very simple alternative and Senators will differ about it. Clearly some Senators do not want to touch the tax cut. They think it is what it should be. Other Senators think it is maybe too much. But the choice is very simple. I think this is a fair statement and it is pretty hard for anybody to come up with anything very different than what I am going to say.

The choice is to reduce the President's tax cut—or the Budget Committee tax plan—by about $158 billion over 10 years and add that to the prescription drug benefit called for in the budget resolution for a total of $300 billion, and specify that—which means roughly $311 billion for a prescription drug benefit along with reform—that is option 1—or option 2 is no reduction in the President's tax plan but hope that maybe the Finance Committee will report out a bill, the hope that maybe the chairman of the Budget Committee will come up with the reallocation, and that basically it must conform with the President's number.

I love to think we have the money there under the contingency fund for Medicare prescription drugs that is not out of the hospital insurance trust fund but somewhere else. But this is all so simple. I do not have the list in front of me, but all of the claims on the contingency fund are just innumerable. Alternative minimum tax, it is the tax extenders, it is some business tax cuts, it is pension reform, it is emergency assistance, it is defense.

Does anybody here think in the next 10 years the President of the United States is not going to, under NMD, offer a big significant boost in defense spending, say, next year or the following year? We know it is coming. There is nothing left in this contingency fund. It is just not there.

I do not want to get too technical about this, but even under the budget resolution provided for on the floor, in years 5, 6, and 7, the amount of the contingency trust fund is negative, is $6 billion or $7 billion during that period. That means any plan has to come out of the hospital insurance trust fund.

I made my point. It is a simple alternative. One is definite. It tells the Finance Committee to come up with $300 billion. The other is a big maybe. And the maybe is based on very shifting stands. It is just not solid enough to support the conclusion that the money is going to be there.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, parliamentary inquiry. How much time do we have remaining?

The PRESIDING OFFICER. The Senator has 81 minutes 22 seconds.

Mr. DOMENICI. On the other side?

The PRESIDING OFFICER. They have 13 minutes 43 seconds.

Mr. DOMENICI. I yield myself 2 minutes and then I will ask Senator FRIST to manage on my side. I have to leave the floor. He and Senator GRASSLEY will finish up the debate.

I say to everybody listening, the plain and simple fact is we propose we not reduce the President's $1.6 trillion tax cut as a means of paying for prescription drug reform because we believe that is exactly what the contingency fund of $500 billion was intended for. We provide a mechanism to make sure that if the President poses a permanent fix to Medicare, or the Finance Committee writes one, in each event they will be funded not to exceed $300 billion.

The Senator says there is a lot of ''ifs'' and ''maybes.'' I want to close by saying: Whatever happens to their amendment, there is no prescription drug bill until the committee writes one, right? So you are saying you are putting the money in and it is all full of ifs and ands and buts and maybes; to wit, you have to write a bill.

Nobody knows when the bill will be written. Why do we put the money in? We are not sure what it is going to be. We have estimates from $346 billion to $500 billion, if necessary.

We think we are doing the judicious thing leaving the tax cut intact and providing for prescription drug reform that is significant that can be up to but not exceeding $300 billion. And we will assign it to the committee on the happening of either of two events: the President submits one which the Congressional Budget Office estimates or the distinguished chairman of the Finance Committee produces one that is costed out. And then we give them the money but not to exceed $300 billion.

That is the summary underneath our proposal. Unless and until we write a bill, there will be no money spent on Medicare prescription drugs because we still have to write the reform measure.

I yield the floor at this point. I yield it to my two friends.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, what a difference a few hours makes. What a dramatic transformation. When we proposed this morning a prescription drug benefit and the funding for it of $311 billion, the other side said: There the Democrats go again. All they want to do is spend money.

But here we are at 4:30 in the afternoon and the Republicans are back. And what do they want to do? They want to spend almost the identical amount of money.

What has occurred here is absolutely fascinating. There has been a transformation. It has been really quite remarkable. All of this morning the Republican line was, Oh, the Democrats just want to spend money. But by 4:30 in the afternoon the Republicans want to spend the same money. The difference is they want to raid the Medicare trust fund, and we want to protect the Medicare trust fund. We want a prescription drug benefit directly and clearly out of surpluses outside of the trust funds.

Let me show you why the proposal of our friends on the other side will put us right into the trust funds. This chart shows the surpluses available under the Republican budget proposal year by year. As you can see, in the year 2005, there is only $7 billion available before they are into the Medicare trust fund. They are here proposing $300 billion of expenditures for a prescription drug benefit. When you divide $300 billion by the 10 years covered, that is about $30 billion a year. If they use $30 billion in the year 2005 for a prescription drug benefit, guess what. They are using Medicare trust fund money to fund a prescription drug benefit. What is wrong with that? That way leads to bankruptcy of the Medicare trust fund at an earlier date. That leads to insolvency of the Medicare trust fund at an earlier date.

That is why our amendment is superior. It is better fiscally. It is better for a prescription drug benefit because we will not permit raiding the Medicare trust fund to fund a prescription drug benefit. We protect every penny of the Social Security trust fund, every penny of the Medicare trust fund, and we fund a prescription drug benefit—the $300 billion they are talking about—out of what is remaining. They are funding the Medicare prescription drug benefit out of the trust fund.

It is just as clear as it can be. This amendment ought to be relabeled the ''Grassley Raid the Medicare Trust Fund Amendment.'' That is what we ought to call it because that is what it does.

I yield the floor.

Does the Senator from Michigan seek time? I yield the Senator from Michigan 5 minutes.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I rise to share the concern expressed by my colleagues who have been providing leadership on this budget resolution. I respect the chairman of the Finance Committee, the distinguished Senator from Iowa.

I must rise to indicate that I could not be more concerned about the approach that is being taken on this amendment. I am proud to be a cosponsor of the underlying Baucus amendment that provides a real prescription drug plan for our seniors. No ifs, ands, or buts. It is real. It is there, and it will not come out of the Medicare trust fund.

As to what was said by our distinguished Senator from North Dakota talking about the Medicare trust fund, this budget resolution, unfortunately, is a big shell game. It starts by saying, except for Medicare and Social Security, every penny-plus will go to a tax cut to wealthiest Americans; every penny projected for 10 years of any possible surplus. Then, to pay for funding, it moves Medicare trust funds of $500 billion-plus over into something called the contingency fund.

We have been spending a lot of time trying to shore up Medicare and Social Security and protect it for the future. We know the baby boomers are going to be retiring within the next 11 years. The last thing we need to do is be spending those trust funds.

But because of the way this budget resolution is put together, the entire Medicare trust fund goes from about being protected over to being spent.

This proposal, unfortunately, spends Medicare in order to provide some possible prescription drug coverage. It is an amendment that goes against itself.

We need to be protecting the current Medicare trust fund, modernizing Medicare, and adding dollars so we are strengthening it in terms of prescription drug coverage.

Earlier this afternoon I heard comments on the other side of the aisle talking about how we don't know how we are going to pay for this proposal, that seniors are going to have to wait, and that we can't afford to do this. How long do the seniors of this country have to wait? How long do they have to wait?

I have been in the Congress only 4 years-plus—four in the House and now in this distinguished body in which I am so honored to serve on behalf of the people Michigan. But in the entire time I have been here, we have been talking about updating Medicare to cover prescription drugs. And every day we wait there are thousands or millions of seniors who are sitting down at the kitchen table in the morning saying: Do I eat today or do I get my medicine? Do I pay the utilities today or do I get my medicine?

We don't have that same sense of urgency that I hear from the families in Michigan. We need to have that. Our seniors can't wait.

We don't need smoke and mirrors. We don't need a shell game. We don't need to spend the current Medicare trust fund. We need to be honest and upfront and say that we are willing to take just a small part—less than 7 percent of the tax cut being proposed—to be moved over and provide the seniors of our country help with prescription drug coverage.

The majority of seniors will not benefit from this tax cut. They won't receive the tax cut. The tax cut that we can provide for them, and the money we can put back in their pockets, is by giving them help with their medicine and giving them help with the cost of prescription drugs. That is money back in the pockets of the senior citizens and those with disabilities in our country. I think they deserve something in their pockets as well.

While I support a tax cut that is across the board and geared to middle-class taxpayers, small businesses, and family farmers, I think we can also, if we do this right and we are honest about it and if we put together the right priorities, make sure we keep the promise. If we do not do it now, when will we?

The PRESIDING OFFICER. Who yields time?

Mr. FRIST. I yield myself 12 minutes.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for up to 12 minutes.

Mr. FRIST. How much time do I have?

The PRESIDING OFFICER. The Senator from Tennessee controls 16 minutes 15 seconds.

Mr. FRIST. Mr. President, I yield myself 12 minutes. Please notify me when 2 minutes are remaining.

Mr. President, as I mentioned earlier this morning, we have a tremendous opportunity, I believe. It is reflected by amendments on both sides of the aisle. That opportunity is to expand Medicare in terms of its benefit coverage; that is, adding prescription drugs, which is critically important. It is vital if we want to be able to look seniors and individuals with disabilities in the eye and say: We are going to give you health care security.

That is what Medicare is all about. Why? Because prescription drugs, I believe, has to be a part of Medicare, just as the hospital bed or inpatient hospitalization or outpatient care, to fulfill that responsibility. But to have health care security, it requires us, I believe, to do more than just add a benefit which none of us really know how to add on. None of us have developed the policy through which we can deliver these services as of yet. But adding that benefit alone on to a structure which has, as good as it is, real problems, problems in terms of solvency—and what that means really is sustainability—is irresponsible. When you look at a 40-year-old, or a 50-year-old, or a 60-year-old, they want to know that the Medicare program is going to be there 20 years later. Today we cannot say that in good conscience, unless we modernize the system, improve the system, and strengthen the system.

The way the debate has evolved over the course of the day, now we have two very clear choices. One adds prescription drugs in a right way and one does so in a wrong way. The right way, I believe, is Senator GRASSLEY's amendment. The wrong way is Senator BAUCUS's amendment. I want to explain why.

We link the Grassley amendment to modernization, to strengthening the system, to improving the Medicare system, including prescription drugs—something their amendment does not do. Theirs addresses only the prescription drug concept and does not, as was just said, link to that improvement, that strengthening, that modernization. We want to be able to respond to that individual's needs. That is what Medicare reform is all about.

We believe strongly that reform must be a part of our response—and that is why it is spelled out in the Grassley amendment—where, yes, we are committed to spending an additional $150 billion. That is what the amendment does. But it says on top of that we will spend up to another $150 billion after the policy is formulated. Right now we do not have the policy.

The reason why it is so important to at least think about the policy—to make policy before we fund it—is because of this figure shown right here in relation to prescription drugs. This chart shows the prescription drug demand and the response to that demand from 1965 to 1999. This shows how much has been expended overall. The whole point of this chart is that you can look at what has happened over the last 4 to 5 years. There has been explosive growth of prescription drugs. And we are talking about trying to fund this in some way for seniors, but we do not have the policy yet. So the Grassley amendment says, if we develop that policy—when we develop that policy—either by the President of the United States or the Finance Committee, then let's figure out how much it costs and place that into the budget for up to $300 billion; and only after that has been costed out, so we will know what that policy is going to cost the taxpayers.

Why? If you look ahead on this chart—and on the red chart I showed you to 1999 how much we have been spending; I showed you the explosive growth here—if we do not do it right, with the right policy, if we do not include prescription drugs in Medicare, and integrate it in such a way that we have the tools that in some way can control the cost, constrain the cost, look at what is going to happen. This chart shows what is projected to happen if we do not do anything: explosive growth.

So what we are layering—again, for all people, not just seniors; seniors are about a third of this—if we superimpose and place this, without Medicare reform, on our Medicare system, we cannot look seniors in the eye and say this program is going to be around in 10 years or 15 years. It simply cannot be sustained.

I showed earlier today why that is the case. It is because we are deficit spending. We are spending more in Medicare today. If you look at Part A and Part B, Medicare in the whole, we are spending more today than we are taking in. We are deficit spending even in the Part A. The hospital trust fund will be deficit spending in 2016, but today we are running a deficit. If we superimpose, without the policy, a program of prescription drugs on Medicare without reform, I believe we are behaving irresponsibly, if we are looking at the sustainability of Medicare long-term.

Medicare's problem today: Just look at Part A. It is going bankrupt by 2029. Deficit spending in just 15 years. It only covers 53 percent today of beneficiaries' health care costs. That is right now. And that is going to get worse over time unless we modernize the system.

There is no coverage for prescription drugs. It is a generational timebomb. We are going to be doubling the number of seniors coming into the system over the next 30 years.

Congressional mandates right now through HCFA have resulted in 135,000 pages of regulations governing that doctor-patient relationship. Medicare has simply not kept pace, in terms of quality, access, and the delivery of health care, with our private systems.

So in about 15 minutes we are going to have a choice. The choice is between two amendments, both of which address prescription drugs on the part of the Senate, in the effort, the commitment to include prescription drugs as a part of Medicare. Something, I think just about everybody agrees on. But, again, there is a right way and a wrong way.

I support Senator GRASSLEY's amendment because it says, yes, let's spend the $153 billion that is in the underlying bill, and once we come up with the policy, which we do not have—nobody in this body has it—through the Finance Committee or from the President of the United States, if it is going to cost up to $300 billion, we will be willing, through Senator DOMENICI and the Budget Committee, to add another $150 billion, for a total of $300 billion; but it has to be tied to reform, to modernization, to strengthening the system.

I oppose the Baucus amendment in large part because it does not tie it to reform in any way. It does not basically say, to engage prescription drugs responsibly and integrate it into the system, you have to modernize the system itself.

Secondly, it unnecessarily takes money out of the taxpayers' pocket. Basically, the way they have theirs worded versus the Grassley amendment, the Grassley amendment comes out of the contingency fund. The Baucus amendment takes the money away from the taxpayer by cutting the tax relief which every hard-working taxpaying American deserves today.

I believe this is a very important issue. I believe it does demonstrate the overall commitment on behalf of the Senate that prescription drugs are important, that we have an opportunity to strengthen, to improve, and to modernize the health care system for seniors, for individuals with disabilities; and we ought to seize that opportunity, but we should not behave irresponsibly and throw additional money at a problem that we have not even fully developed the policy to solve.

With that, I urge my colleagues to support the Grassley amendment and to defeat the Baucus amendment when that comes forward.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. I yield 2 minutes to Senator BAUCUS.

The PRESIDING OFFICER. The Senator from Montana is recognized for up to 2 minutes.

Mr. BAUCUS. Mr. President, I listened very closely to my good friend from Tennessee. I, first, want to make it very clear that the amendment I am offering does contemplate reform, because I do believe we need to move this year to begin Medicare reform at the same time we are providing prescription drug benefits. I want to clear the air on that.

Second, I do not want to belabor this argument. We will be voting very soon. But just to remind Senators, there is a big difference between my amendment and the amendment on the other side. We have the same number of dollars $300 billion for a prescription drug benefit. But the amendment offered by Senator GRAHAM and I is definite. It prescribes a prescription drug benefit. The other amendment says ''maybe,'' and maybe out of a contingency fund.

I want to make this point because it is so glaringly true. We all know there ''ain't'' no money in the contingency fund. There just ''ain't.'' And the reason is because it has been called for so many times—whether for such reasonable things as agricultural provisions, disaster assistance or other provisions in the Tax Code. There isn't going to be a contingency fund by any stretch of the imagination. It is just a hope and a prayer at best. Or else it comes out of the hospital insurance trust fund. And, of course, that is not a great option.

So essentially what it comes down to is this: You have a choice, Senators: You vote for a prescription for prescription drugs or you say: Call me in the morning. That is the choice.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Iowa.

Mr. GRASSLEY. I think I have 8 minutes left. I yield myself 4, and then Senator FRIST wants to speak again.

I will address some of the things the Senator from North Dakota and the Senator from Montana have touched on. The first is to express the philosophy behind the way we have handled this amendment, saying that the Senate budget chairman can plug in a figure after the Senate Finance Committee has produced a bill. The basis of this is that we ought to develop the policy and then put in the amount of money it takes to carry out the policy.

I have no crystal ball to tell me what amount might be necessary for a bill. My friends on the other side have this crystal ball telling them we must have $311 billion for Medicare. They are going to develop a policy around a certain amount of money. I don't think that is the way to do business.

Another difference between these approaches is that they are going to reduce the amount of tax relief that goes to working men and women by some $158 billion. We will use the reserve fund, meaning the money that is left over. After we take out $153 billion of the surplus for Medicare and $1.6 trillion for tax cuts, there is still $900 billion left. Ever since the President proposed his budget, we all understood that some of this left over money would be used for prescription drugs. We are not going to deny the working men and women of this country a tax break that they deserve. We have the money to fund this, but we don't know how much money we need just yet.

We think it is wise to develop the policy first and then pay for the policy you develop, rather than putting up X number of dollars, such as our opposition does, and then building some policy around it.

Now, reading my amendment, my opponents came up with the idea that this amendment is too flexible. Well, flexibility does not mean inaction. Our Senate Finance Committee is going to produce a prescription drug program for senior citizens and at the same time make incremental improvements and changes to Medicare. So he may speak about flexibility. The insinuation is that that is an excuse for no action. The last election was all about prescription drugs. The last election was a mandate to deliver on that. This President is committed to delivering on that, and we are going to.

I yield myself 1 more minute. I point out to my friend from Montana that his amendment doesn't guarantee a Medicare prescription drug benefit any more than mine. We leave opportunities to develop Medicare policy just as they do. Now, let me just chime in for a second and thank Senator SMITH of Oregon for joining me on this amendment.

Now let me address the accusation by my colleague from North Dakota that the amendment I offer today raids the Medicare trust fund. This is absolutely ludicrous. I want to make clear that under my amendment the Medicare surplus will continue to go into the Medicare trust fund. The Medicare trust fund is just like a bank account. When you make a deposit, it increases the balance in your account, and only you can take that money out. But this does not mean that the bank can't use that money to make loans and pay expenses. In fact, that is exactly what any good bank does. At the end of the day, when you go to take your money out of the bank, it is there, because the bank has to make good. When it comes to the Medicare trust fund, the Government has to make good too. My amendment does nothing to change that.

I yield the remainder of the time we have to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, how much time remains?

The PRESIDING OFFICER. Two minutes 40 seconds.

Mr. FRIST. On the other side?

The PRESIDING OFFICER. Three minutes 12 seconds.

Mr. FRIST. Mr. President, I very briefly will summarize again my support for the Grassley amendment and my opposition to the amendment offered by the Senator from Montana.

Very quickly: What does the Domenici substitute have in it? It is very important because this reflects the commitment of President Bush and the Senate budget proposal that is before us.

No. 1, in year 1, fiscal year 2002, for Medicare, we will be spending $229 billion. In year 10, when we march out 10 years, that will be increased to $459 billion. That is an increase of 111 percent, an average annual increase of over 7½ percent. That means over the next 5 years in Medicare, in hopefully a modernized, strengthened, improved program, we will be spending $1.3 trillion and, over the next 10 years, $3.3 trillion.

What the Grassley amendment does is basically this. It says in this process of modernization—it is carefully linked to modernization—we can have up to another $150 billion over that period of time after the policy is formulated by the President of the United States or by the Senate Finance Committee. That is acting responsibly. It recognizes that policy has not been discussed to the degree it needs to for us to in any way project what coverage for prescription drugs will be.

I support the Grassley amendment because it allows a total of $300 billion if we modernize, and it says it right in the amendment. I oppose Senator BAUCUS's approach because it takes the money from the taxpayers unnecessarily—that same $300 billion. And No. 2, it does not link it to modernization. We just heard that it does, but if you read it, nowhere in the Baucus amendment does it say anything about modernizing, strengthening or improving the program.

I am very pleased, very proud of the amendment before us. I urge the support of all of our colleagues for the Grassley amendment, with opposition to the Baucus amendment.

I reserve the remainder of our time.

Mr. CONRAD. Mr. President, I yield 1 minute to the Senator from Florida.

Mr. GRAHAM. Mr. President, in my 60 seconds let me say there are two areas of agreement. Apparently we have now agreed that it is going to take in the range of $300 billion over 10 years to have a credible prescription drug benefit. That is a significant advance. No. 2, frankly, there is no disagreement with the fact that we should strive to reform Medicare. We all start with exactly the same language, which is on page 49 of the amendment, which talks about the Finance Committee reporting reforms in Medicare.

What we also heard in our most recent hearing on this subject is that the most anybody has ever suggested that reform could amount to would be approximately $50 billion in a $3 trillion Medicare program over the next 10 years. Let's not exaggerate what kind of savings we are going to get.

Where we disagree is how we are going to finance this.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. I yield an additional 30 seconds to the Senator from Florida.

Mr. GRAHAM. Where we disagree is how we should finance this. What the Republicans are saying is we should do this by essentially using the Part A trust fund. That is the trust fund which people have paid in through their payroll tax and from which they have an expectation of receiving—to read from the Medicare benefits booklet—hospital stays, skilled nursing facilities, home health care, hospice care, and blood care—all the things which are financed out of the Part A trust fund. That is what is going to be raided as we try to now finance a major prescription drug benefit.

We should stay with the proposal of the Senator from Montana to finance this responsibly by reducing by less than 10 percent the projected tax reduction.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Maine.

Ms. SNOWE. Mr. President, I am delighted to co-sponsor this amendment with Senator DOMENICI, the distinguished chairman of the Budget Committee, and Senator GRASSLEY, chairman of the Finance Committee. This amendment has a simple but critical purpose: to increase by $147 billion the reserve fund in this resolution for a Medicare prescription drug benefit and Medicare reform. That is, this amendment would nearly double the reserve fund to $300 billion, with monies coming from the on-budget surplus.

Let me note that nothing in this amendment commits Congress to spend the entire reserve fund. Indeed, in truth we do not yet know what additional resources will be needed. We will know better when the Congressional Budget Office reports estimates several weeks from now on a variety of Medicare reform and prescription drug proposals.

In short, this additional reserve amount will help ensure that the President and Congress will have sufficient resources to enact both a prescription drug benefit and other badly needed Medicare improvements this year.

I am sure my colleagues are very aware of the need for prescription drug coverage, I think the facts underlying this national problem for our nation's senior citizens bear repeating.

When Medicare was created in 1965, it emphasized the private health insurance model of the time, inpatient health care. In fact, the original Johnson Administration Medicare proposal was only for hospital care. Doctor's services, and other outpatient care, was added by Congress as a voluntary program.

Today, thirty-six years later, Medicare, although a great blessing to our nation's seniors, is sadly out of date. It is past time to bring Medicare "back to the future" by providing our seniors with prescription drug coverage. Indeed, hardly a day goes by without some announcement of a new and exciting breakthrough in drug therapy, breakthroughs that promise better care for millions of Americans.

The lack of a prescription drug coverage benefit is the biggest hole, a black hole really, in the Medicare system. HCFA will tell you that up to 65 percent of Medicare beneficiaries have drug coverage from other sources. But that number simply doesn't tell the whole story.

Specifically, fourteen percent of Medicare beneficiaries get drug coverage from one of the three Medigap policies that cover drugs. Two of these policies require a $250 deductible and then only cover 50 percent of the cost of the drug with a $1,250 cap. Needless to say, you can reach that cap awfully fast with today's drug prices.

The third policy provides a cap of $3,000 but the premium ranges anywhere from $1,699 to $3,171 depending on where you live. That is a lot of money for someone living on a fixed income.

About 15 percent of seniors get drug coverage from participating in Medicare HMOs. However, we know the Medicare+Choice program has been under great pressure over the last few years, making this source of prescription drugs less reliable.

And another 16 percent receive coverage from Medicaid. Of course to do that, they must be very low-income to begin with and may have to spend a great deal out of pocket for their drugs, what we commonly refer to as "spending down", before they are eligible in a given year for coverage.

Finally, there are those lucky enough, 29 percent, to have employer sponsored drug coverage through their retiree program.

Medicare fails today's elderly patients in other ways. The preventive care services offered under Medicare, while greatly expanded, are still insufficient to help seniors remain healthy, and therefore avoid more expensive care later. And routine services such as annual physicals, vision tests and hearing aids are not covered.

Medicare also only provides limited financial protection. Indeed, we must always remember that Medicare is not just about health care, but protection against potentially high costs of health care. The program has a fee-for-service cost-sharing structure that still leaves seniors vulnerable to high costs. Indeed, the traditional fee-for-service Medicare program covers only 53 percent of the average senior's annual medical expenses.

Moreover, management of the Medicare program is burdened by vast bureaucratic complexity and operates in a non-competitive, inefficient manner. It lacks the flexibility to operate differently.

Medicare's financing and accounting is confusing. Medicare currently maintains separate trust funds, one for inpatient hospital and post-acute care, and one for physician fees and other outpatient costs. This separation leads to misleading assessments of Medicare's financial status and again reflects a different era of medicine. There is irrefutable evidence that Medicare's finances are not sustainable or affordable in the long-term.

I daresay that no one in this chamber would disagree that Medicare needs improvements. This amendment will make reform possible.

I also want to take this opportunity to acknowledge the leadership of the President on Medicare reform. The President has laid down six principles, which in my view are the starting point for our efforts. The President is preserving committed Medicare's guarantee of access to seniors. Every Medicare recipient must have a choice of health plans, including the option of purchasing a plan that covers prescription drugs. Medicare must cover expenses for low-income seniors. Reform must provide streamlined access to the latest medical technologies. Medicare payroll taxes must not be increased. And reform must establish an accurate measure of the solvency of Medicare.

The funding for this amendment would come from the on-budget surplus. I know that is a particular problem for some Members across the aisle, because that surplus represents cash from HI payroll tax. Of course, HI taxes are credited first to the HI trust fund, so there is no solvency impact.

But for those Members who believe that this source of funds is a problem, let me simply point out that in 1972, when the Finance Committee first reported Medicare outpatient drug provisions, those provisions would have been funded directly from the HI payroll tax.

I urge all Senators who believe as I do that we must add a Medicare prescription drug plan and improve Medicare in other ways to vote for this amendment.

Mr. CONRAD. Mr. President, how much time is remaining on our side?

The PRESIDING OFFICER. One minute 15 seconds.

Mr. CONRAD. Mr. President, it has come down to this: We both agree roughly on the amount of money necessary to fund a meaningful prescription drug benefit.

Our friends on the other side of the aisle are $300 billion; we are at $311 billion. There is not much difference there.

There is a profound difference on how to fund that amount of money. We say do not use the trust funds of Social Security or Medicare. Our friends on the other side of the aisle say raid the Medicare trust fund, which we believe is a profound mistake. We ought to fund this proposal, but we ought to do it the right way. We ought to do it the fiscally responsible way. We ought to do it without raiding a dime of trust fund money.

That is our proposal. That, I believe, deserves the support of our colleagues. I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, how much time does the Senator have remaining?

The PRESIDING OFFICER. Eighteen seconds. Who yields time? The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself the rest of the 18 seconds.

Remember, our amendment uses Medicare money for Medicare. Part A Medicare money is going to be used for Medicare. Part B Medicare money is going to be used for Medicare. We are even going to put general fund money in there to use for Medicare.

How much more do you want? We're putting medicare money aside for Medicare and we're putting extra money aside for Medicare. How much plainer can it be?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. It could be clearer if you did not raid the Medicare trust fund for a new benefit, a new promise, when you need the Medicare trust fund money to keep the previous promises. That is how clear it is.

Mr. GRASSLEY. Have you ever heard money is fungible?

The PRESIDING OFFICER. The question is on agreeing to amendment No. 173. The clerk will call the roll.

The assistant legislative clerk called the roll.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 50, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—50

Allard	Frist	Murkowski
Allen	Gramm	Nickles
Bennett	Grassley	Roberts
Bond	Gregg	Santorum
Brownback	Hagel	Sessions
Bunning	Hatch	Shelby
Burns	Helms	Smith (NH)
Campbell	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Craig	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Ensign	McCain	Voinovich
Enzi	McConnell	Warner
Fitzgerald	Miller	

NAYS—50

Akaka	Dayton	Levin
Baucus	Dodd	Lieberman
Bayh	Dorgan	Lincoln
Biden	Durbin	Mikulski
Bingaman	Edwards	Murray
Boxer	Feingold	Nelson (FL)
Breaux	Feinstein	Nelson (NE)
Byrd	Graham	Reed
Cantwell	Harkin	Reid
Carnahan	Hollings	Rockefeller
Carper	Inouye	Sarbanes
Chafee	Johnson	Schumer
Cleland	Kennedy	Stabenow
Clinton	Kerry	Torricelli
Conrad	Kohl	Wellstone
Corzine	Landrieu	Wyden
Daschle	Leahy	

The VICE PRESIDENT. On this vote, the yeas are 50 and the nays are 50. The Senate being equally divided, the Vice President votes in the affirmative, and the amendment is agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 172

The VICE PRESIDENT. Under the previous order, there will now be 2 minutes of debate on the Baucus amendment.

The Senator from Montana is recognized.

Mr. DOMENICI. I ask unanimous consent that the next vote be 10 minutes.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

The Senator from Montana is recognized.

Mr. CONRAD. Mr. President, I think at this point it would be appropriate to welcome the Vice President to the Chamber. We are glad you are here. We hope you will stick around to break the next tie.

The VICE PRESIDENT. I say to the Senator from North Dakota that is my intention.

Mr. DOMENICI. Mr. President, don't say that. The next time we want you in the Chair, we will spread the word to you.

The VICE PRESIDENT. Who yields time? The Senator from Montana.

Mr. BAUCUS. Mr. President, I congratulate those who voted for this amendment, because we have now established that we want a $300 billion prescription drug benefit plan over 10 years. Several hours ago, we were at $153 billion. According to the budget resolution, we are now at $300 billion. So there is agreement.

The amendment now pending basically says, OK. Since we have agreement in theory on what the amount should be, let's now lock it in and make sure that the money is, in fact, there. The amendment offered by Senator GRAHAM and I does that. It locks in the money by telling the Finance Committee to come up with a prescription drug bill, by taking just a small sliver $158 billion out of the $1.6 trillion tax bill for prescription drugs. That, with the $153 billion already in the budget resolution, provides $311 billion to give seniors what they need—a meaningful prescription drug benefit.

Now that we have established $300 billion, let's make sure that we put our money where our mouth is. Let's lock the money away instead of providing a hope and prayer that the dollars are going to be there for the prescription drug benefit.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me just say this is a typical amendment from that side of the aisle. They would say to our President that we don't like your tax cut, and we want to take $156 billion of it and we want to spend it. They would say they are spending it for some very special purpose. But we can accomplish the same without diminishing what our taxpayers should be getting. They should be getting the President's $11.6 trillion over the next 10 years.

It is plain and simple. This amendment reduces that by $156 billion and puts it in an account to be spent. Whatever they are going to spend it for, it is the beginning of a tax-and-spend approach on the floor for the remaining 2½ or 3 days.

I hope on our side we stay fast. We all voted. We ought to vote the same way. In this instance, it is a ''no'' vote on our side, and they will not prevail, if you will just do what you did. Do it one more time.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BAUCUS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. VOINOVICH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 50, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—50

Akaka	Dayton	Levin
Baucus	Dodd	Lieberman
Bayh	Dorgan	Lincoln
Biden	Durbin	Mikulski
Bingaman	Edwards	Murray
Boxer	Feingold	Nelson (FL)
Breaux	Feinstein	Nelson (NE)
Byrd	Graham	Reed
Cantwell	Harkin	Reid
Carnahan	Hollings	Rockefeller
Carper	Inouye	Sarbanes
Chafee	Johnson	Schumer
Cleland	Kennedy	Stabenow
Clinton	Kerry	Torricelli
Conrad	Kohl	Wellstone
Corzine	Landrieu	Wyden
Daschle	Leahy	

NAYS—50

Allard	Frist	Murkowski
Allen	Gramm	Nickles
Bennett	Grassley	Roberts
Bond	Gregg	Santorum
Brownback	Hagel	Sessions
Bunning	Hatch	Shelby
Burns	Helms	Smith (NH)
Campbell	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Craig	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Ensign	McCain	Voinovich
Enzi	McConnell	Warner
Fitzgerald	Miller	

The amendment (No. 172) was rejected.

Mr. LOTT. I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, we are finishing reading a unanimous consent request I will make, but I want to let the ranking member finish reading it. I suggest the absence of a quorum for 1 minute.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, on behalf of the leader and after conferring with the minority, I ask unanimous consent that Senator GRASSLEY be recognized to offer an amendment relative to agriculture and, following the reporting by the clerk, the amendment be laid aside and Senator JOHNSON be recognized to offer an amendment regarding agriculture.

I further ask unanimous consent that the debate tonight run concurrently on both first-degree amendments and the Senate resume debate at 9 a.m. on Wednesday, and the time between 9 a.m. and 10:30 a.m. be equally divided for closing remarks on the agriculture issue.

I further ask unanimous consent that no amendments be in order prior to the votes just described, the votes occur in a stacked sequence beginning at 10:30 a.m., with 2 minutes prior to each vote for explanation, and the first vote occur in relation to the Grassley amendment, to be followed by a vote in relation to the Johnson amendment.

I also ask unanimous consent that following those votes, Senator HARKIN be recognized to offer an amendment relative to education.

Finally, I ask unanimous consent that when the Senate resumes consideration of the concurrent resolution on Wednesday, there be 35 hours remaining for consideration.

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

Mr. DOMENICI. Mr. President, on behalf of the leader, I make the following statement for the information of all Senators. In light of this agreement, there will be no further votes this evening. Any Senator with an interest in agriculture and agricultural issues is urged to remain tonight to debate the issue. The next votes will occur in a stacked sequence at 10:30 a.m. tomorrow.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the chairman of the Budget Committee for working through this procedure in a fair way and an efficient way. We have used the time relatively well today.

We now have scheduled the next two amendments, or really three amendments because there will be two first-degree amendments on agriculture and then we will go to an education amendment. We also are scheduled to vote on agriculture with time to debate that both this evening and tomorrow.

I want to send a clear message to those colleagues who are concerned about agriculture, as the chairman described. My colleagues need to be here tonight to discuss this issue because there will be limited time tomorrow morning. We will have only an hour and a half when we come back in tomorrow morning to conclude debate on this important set of amendments.

If there are colleagues on either side of the aisle who are concerned about agriculture and want to participate in that debate, they need to know tonight affords the best opportunity because there will be limited time tomorrow.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, obviously I am going to yield to my overused colleague who was asked to offer the last amendment because it came within the jurisdiction of his Finance Committee. Tonight we ask that he offer the Republican amendment, the bipartisan amendment on behalf of agriculture, because he is an expert on agriculture and a lot of people listen attentively to what he has to say.

I yield the floor to Senator GRASSLEY, and he can offer the amendment we have been discussing.

AMENDMENT NO. 174

Mr. GRASSLEY. Mr. President, I send an amendment to the desk for myself, Senator MILLER, and Senator DOMENICI.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa, [Mr. GRASSLEY], for himself, Mr. MILLER, and Mr. DOMENICI, proposes an amendment numbered 174.

Mr. GRASSLEY. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 4, line 1, increase the amount by $5,112,000,000.

On page 4, line 2, increase the amount by $7,810,000,000.

On page 4, line 3, increase the amount by $8,202,000,000.

On page 4, line 4, increase the amount by $8,658,000,000.

On page 4, line 5, increase the amount by $9,129,000,000.

On page 4, line 6, increase the amount by $8,611,000,000.

On page 4, line 7, increase the amount by $9,101,000,000.

On page 4, line 8, increase the amount by $8,591,000,000.

On page 4, line 9, increase the amount by $8,047,000,000.

On page 4, line 10, increase the amount by $7,470,000,000.

On page 4, line 11, increase the amount by $7,885,000,000.

On page 4, line 15, increase the amount by $5,112,000,000.

On page 4, line 16, increase the amount by $7,810,000,000.

On page 4, line 17, increase the amount by $8,202,000,000.

On page 4, line 18, increase the amount by $8,658,000,000.

On page 4, line 19, increase the amount by $9,129,000,000.

On page 4, line 20, increase the amount by $8,611,000,000.

On page 4, line 21, increase the amount by $9,101,000,000.

On page 4, line 22, increase the amount by $8,591,000,000.

On page 4, line 23, increase the amount by $8,047,000,000.

On page 5, line 1, increase the amount by $7,470,000,000.

On page 5, line 2, increase the amount by $7,885,000,000.

On page 5, line 6, decrease the amount by $5,112,000,000.

On page 5, line 7, decrease the amount by $7,810,000,000.

On page 5, line 8, decrease the amount by $8,202,,000,000.

On page 5, line, 9, decrease the amount by $8,685,,000,000.

On page 5, line 10, decrease the amount by $9,129,000,000.

On page 5, line 11, decrease the amount by $8,611,000,000.

On page 5, line 12, decrease the amount by $9,101,000,000.

On page 5, line 13, decrease the amount by $8,591,000,000.

On page 5, line 14, decrease the amount by $8,047,000,000.

On page 5, line 15, decrease the amount by $7,470,000,000.

On page 5, line 16, decrease the amount by $7,885,000,000.

On page 5, line 19, increase the amount by $5,112,000,000.

On page 5, line 20, increase the amount by $12,922,000,000.

On page 5, line 21, increase the amount by $21,124,000,000.

On page 5, line 22, increase the amount by $29,782,000,000.

On page 5, line 23, increase the amount by $38,911,000,000.

On page 5, line 24, increase the amount by $47,522,000,000.

On page 5, line 25, increase the amount by $56,623,000,000.

On page 6, line 1, increase the amount by $65,213,000,000.

On page 6, line 7, increase the amount by $5,112,000,000.

On page 6, line 8, increase the amount by $12,922,000,000.

On page 6, line 9, increase the amount by $21,124,000,000.

On page 6, line 10, increase the amount by $29,782,000,000.

On page 6, line 11, increase the amount by $38,911,000,000.

On page 6, line 12, increase the amount by $47,522,000,000.

On page 6, line 13, increase the amount by $56,623,000,000.

On page 6, line 14, increase the amount by $65,213,000,000.

On page 17, line 23 increase the amount by $350,000,000.

On page 17, line 24 increase the amount by $350,000,000.

On page 18, line 24, increase the amount by $350,000,000.

On page 18, line 2, increase the amount by $350,000,000.

On page 18, line 3, increase the amount by $350,000,000.

On page 18, line 6, increase the amount by $350,000,000.

On page 18, line 7, increase the amount by $350,000,000.

On page 18, line 10, increase the amount by $350,000,000.

On page 18, line 11, increase the amount by $350,000,000.

On page 18, line 14, increase the amount by $350,000,000.

On page 18, line 15, increase the amount by $350,000,000.

On page 18, line 18, increase the amount by $350,000,000.

On page 18, line 19, increase the amount by $350,000,000.

On page 18, line 19, increase the amount by $350,000,000.

On page 18, line 22, increase the amount by $350,000,000.

On page 18, line 23, increase the amount by $350,000,000.

On page 19, line 2, increase the amount by $350,000,000.

On page 19, line 3, increase the amount by $350,000,000.

On page 19, line 6, increase the amount by $350,000,000.

On page 19, line 7, increase the amount by $350,000,000.

On page 19, line 10, increase the amount by $350,000,000.

On page 19, line 11, increase the amount by $350,000,000.

On page 19, line 15, increase the amount by $5,000,000,000.

On page 19, line 16, increase the amount by $5,000,000,000.

On page 19, line 19, increase the amount by $7,000,000,000.

On page 19, line 20, increase the amount by $7,000,000,000.

On page 19, line 23, increase the amount by $7,000,000,000.

On page 19, line 24, increase the amount by $7,000,000,000.

On page 20, line 2, increase the amount by $7,000,000,000.

On page 20, line 3, increase the amount by $7,000,000,000.

On page 20, line 6, increase the amount by $7,000,000,000.

On page 20, line 7, increase the amount by $7,000,000,000.

On page 20, line 10, increase the amount by $6,000,000,000

On page 20, line 11, increase the amount by $56,000,000,000

On page 20, line 14, increase the amount by $6,000,000,000

On page 20, line 15, increase the amount by $6,000,000,000

On page 20, line 18, increase the amount by $5,000,000,000

On page 20, line 19, increase the amount by $5,000,000,000

On page 20, line 22, increase the amount by $4,000,000,000

On page 20, line 23, increase the amount by $4,000,000,000

On page 21, line 2, increase the amount by $3,000,000,000

On page 21, line 3, increase the amount by $3,000,000,000

On page 21, line 6, increase the amount by $3,000,000,000

On page 21, line 7, increase the amount by $3,000,000,000

On page 41, line 15, increase the amount by $112,000,000

On page 41, line 16, increase the amount by $112,000,000

On page 41, line 19, increase the amount by $460,000,000

On page 41, line 20, increase the amount by $460,000,000

On page 41, line 23, increase the amount by $852,000,000

On page 41, line 24, increase the amount by $852,000,000

On page 42, line 2, increase the amount by $1,308,000,000

On page 42, line 3, increase the amount by $1,308,000,000

On page 42, line 6, increase the amount by $1,779,000,000

On page 42, line 7, increase the amount by $1,779,000,000

On page 42, line 10, increase the amount by $2,261,000,000

On page 42, line 11, increase the amount by $2,261,000,000

On page 42, line 14, increase the amount by $2,751,000,000

On page 42, line 15, increase the amount by $2,751,000,000

On page 42, line 18, increase the amount by $3,241,000,000

On page 42, line 19, increase the amount by $3,241,000,000

On page 42, line 22, increase the amount by $3,697,000,000

On page 42, line 23, increase the amount by $3,697,000,000

On page 43, line 2, increase the amount by $4,120,000,000

On page 43, line 3, increase the amount by $4,120,000,000

On page 43, line 6, increase the amount by $4,535,000,000

On page 43, line 7, increase the amount by $4,535,000,000

Mr. GRASSLEY. Mr. President, I rise to offer a fair and very generous bipartisan agricultural amendment. I am a family farmer. To be fair to my son, my son makes most of the decisions and does most of the work; I try to help him on weekends. I see my role on weekends as being a hired man for my son because I don't live with it every day as he does and I want to rely upon his expertise. But I do have that background and I bring that background to my colleagues to show some understanding and sensitivity that we all ought to have toward the family farmer and agriculture in general.

I know what the agricultural community is currently going through. I think the plan in this amendment will address the immediate needs to stabilize net income, provide enough funding to significantly strengthen a future counter-cyclical program, offer additional money for regulatory relief, enhance conservation efforts, and is fiscally responsible.

Some Members might wonder why it is tough to be a farmer in our current agricultural community. Why, without Government assistance, net income, cash income for the farm is projected to fall to $50.7 billion, which is $4.1 billion below the 1990 to 2000 average of $54.8 billion.

I will lay out some factors. First, input cost. Natural gas prices have recently hit record highs, directly impacting farm fertilizer prices and availability. Almost all of the nitrogen we get for the record corn crops we raise in our State comes from anhydrous ammonia, made from natural gas. The cost is passed through to the farmer.

Due to the past administration's inability to enact a workable energy policy, farmers were left to cope with significant fluctuations in price and demand. These fluctuations have dramatically increased the cost of hydrogen fertilizers and these increased input costs will certainly have a substantial impact on corn producers across the Nation during the coming growing season.

After input costs, it is legitimate to bring up the issue of regulations and their increase in costs. We have the Environmental Protection Agency preparing to implement new rules for concentrated animal feeding operations which will impact an estimated 376,000 confined livestock operations in our country. For example, the costs incurred for compliance for cattlemen could average well over $100,000 per farm. The costs would involve structural measures, engineering fees, and the development of a comprehensive nutrient management plan.

After regulations comes low commodity prices. These are probably the most obvious of all things that people in the city read about regarding the farm income situation. Today in my hometown of New Hartford, IA, where we deliver our corn and soybeans, the cash price for corn is $1.78 and $4.03 for soybeans. These are not lucrative margins. The lack of profitability and production hurts. Three years in a row of low prices—except for soybeans—are lower now than ever before. These low prices have been the rule for the last 3 years. These low prices can actually take some of the best farmers to the breaking point.

After low commodity prices, we have the frustration with the international trade of agricultural products. The European Union still spends a huge amount on agricultural export subsidies. These subsidies of the European Community are the most trade distorting, even trade disruptive, of all agricultural policies. They depress the prices that would otherwise apply to commercial trade. In so doing, they harm the ability of our farmer to compete with European farmers in third country markets. They also reduce the incentive to engage in more efficient production.

The truth is, until we get the European Union to agree to reduce its excessive spending on export subsidies, we will not be as competitive as we could be and should be in world agricultural markets. As a result, our farmers will continue to get lower prices in world agricultural products as long as the American farmer is competing against the German treasury, as opposed to competing against the German farmer. We can compete against that farmer, but it is very difficult to compete against the German treasury.

The best way we can address this problem is to launch a comprehensive new round of multilateral trade negotiations at the World Trade Organization ministerial meeting in Qatar and engage the Europeans directly on this issue. Successfully launching a new round of global trade talks is hardly a sure thing. We have a lot of work to do before we can make this happen. I am not certain we have the necessary international political consensus on this point. Even if we were to advance that new round right now, it would still be a few years before we would see the economic impact, assuming—and you cannot always assume—that American agriculture will win at the bargaining table the way we hope we will win.

We do get victories. Over a period of time we have seen trade distorting practices on agriculture and tariffs on agriculture come down—quite frankly, not as much in the agricultural area as they have come down in almost every other area of manufactured products and services.

We have another trade frustration, and that is the country of China. Currently, negotiations on China's access to the World Trade Organization are stalled in Geneva because China is insisting on claiming developing country status with respect to their agriculture. This would mean that China would be entitled to exempt a higher proportion of trader distorting domestic support spending from the agreed upon caps on such spending than it would be if China is considered to be a developed nation.

Higher domestic support for agriculture and China would mean less excess for American farm products to China. Although this is of prospective harm, not one we are facing immediately, it certainly will not help our farmers if we don't get China to change its position. This isn't something for which we have to wait 5 years. These sorts of negotiations of China's success to the World Trade Organization are going on at various times now or in certain periods of the near months we are in and the months that have passed. This is something that China is going to have to agree to if they expect to get in the World Trade Organization, that they are coming in as a developed nation to meet fully their responsibilities in the World Trade Organization, not begging for some special treatment.

The list of factors affecting the agricultural economy does not detail all of the reasons that our agricultural economy is failing. But it does lay out a number of good reasons why we should be concerned about the strength of the family farms. Our amendment adds $63.5 billion to agriculture's mandatory Commodity Credit Corporation price supports, related programs, and conservation.

Adding this $63.5 billion to the existing $94.2 billion already in the baseline will add up to $150.7 billion in the support for the agricultural economy over the next 10 years of this budget resolution. I believe the additional budget authority provided in the baseline will allow the Agriculture Committee to begin the process of establishing the parameters for our next farm bill. In the interim, the $5 billion provided in fiscal year 2001, the year we are in now, and the $7.35 billion provided for economic assistance, will help farmers survive.

I know my friends and neighbors of Iowa need assistance and a better counter-cyclical program; that is, improvements in the farm program. When we use the word ''counter-cyclical,'' that implies that there will not have to be a dependence upon Congress from year to year voting additional money, but there would be a program that would kick in under circumstances of lower prices.

I also know we need to provide this assistance in a fashion that improves our fiscal responsibility. Massive cash infusions are not the long-term answer to the challenges facing the American farmer. The 1996 farm bill was not created under the assumption that it was the only tire on the wagon. When we passed the 1996 bill, it was supposed to be supported by tax relief and assistance, like the farmers savings accounts legislation that I have continuously introduced and was in a bill the President vetoed last year, and hopefully will be in a bill the new President will sign.

In addition to that, we promised in 1996 increased trade opportunities but, in the period of time since then, we failed to pass trade promotion authority for the President. We also took too long to give farmers new and improved risk management options which, just last year, 4 years late, after it was promised, we finally passed a new crop insurance program.

Due to partisan opposition regarding free trade and tax relief, the only additional wheel that has been placed on this wagon is this crop insurance reform I talked about, and the Government was a long time getting that passed. Any farmer knows if you only have two wheels on a four-wheeled wagon, it does not roll along very well. So if there is, during this debate, criticism of the 1996 farm bill—and there can be some legitimate criticism of the 1996 farm bill—remember, it should not be judged as the total product we promised the farmers in 1996 because what we provided for was a safety net. We found out 3 years later that safety net had some holes in it. We had to pass in 1998, 1999, and 2000, as we are doing now for the year 2001, some patching of that safety net, not because that is something we knew needed to be done in 1996, but because it was a promise that we made in 1996 that there would be a safety net there for farmers, and the money that was provided in 1996 for each of the next 7 years was not enough money. Keeping our promise to the family farmers, we enhanced that in 1998, 1999, 2000, and we will do it again in 2001.

So if there is criticism of the 1996 farm bill, remember that we have, in fashioning past farm bills, when there was a crisis we didn't anticipate when the bill was passed, we supplemented. Go back to 1985, 1984, 1986, in that period of time when we put the ''payment in kind'' program in place. We did not anticipate using that, but because of the low prices, we did.

We did not anticipate using paid diversions to take land out of production, but we used those. They were additional supplemental payments that were not anticipated.

So it does not matter whether it is the 1996 farm bill or the 1990 farm bill or the 1985 farm bill or the 1981 farm bill. When you look ahead 5 years, or as we did in 1996, 7 years, nobody expects you to anticipate all the problems farmers are going to have and write a bill that is going to anticipate it all. But somehow I think people want to leave the impression that is what was intended in 1996. There isn't anybody who has that sort of clairvoyance. So, consequently, we have to act from time to time. That is exactly what we are doing here with this amendment.

The other thing I do not want to hear criticism of is that we did not include the farmers savings account as was promised in 1996. We did not give other trade opportunities as was promised in 1996. We did not provide crop insurance in 1996 as we promised in 1996. We delivered on that in the year 2000. And there are other issues as well. So we have to keep this in perspective.

We have to get those four wheels on the wagon so it rolls along well. As chairman of the Senate Finance Committee, I am committed to providing the much needed tax relief and expand the opportunities our farmers need. But the Congress also made a pledge to family farmers that they would experience this transition throughout the 1996 farm bill. The fact we could not get the wheels on the wagon, coupled with the disastrous recession experienced by our eastern Asian trading partners, which triggered significant slumps in demand for our agricultural commodities has forced the Congress to provide assistance.

If during this period of time the Federal Reserve Board had been a little bit more concerned about liquidity as opposed to inflation, we would have had a little easier and better time as well.

In addition, this amendment works hand in hand then with the $1.6 trillion tax relief package we hope to pass through the Senate Finance Committee. This tax cut package will help American farmers in several ways. First and foremost, farmers generally do business as proprietors, partners, and in subchapter S corporations.

That means marginal rate cuts through this tax bill will help farmers.

Second, many family farmers cannot pass on the farm to their children because of the death tax. The Bush tax cut would rid us of this death tax.

Finally, there are tax cuts such as the farmer savings accounts, to which I have already alluded three times, that will help farmers weather the downside of the cyclical business patterns of farming.

The assistance we provide should not lead to more problems for the family farmers. If government spending is fiscally irresponsible, we will continue to witness artificial land prices and inflated cash rents. This doesn't serve the family farmer. It only makes it more difficult for farmers who rent ground to make a profit.

I ask my colleagues to support this amendment. I particularly thank Senator MILLER of Georgia for his co-sponsorship of this amendment so that it is in fact a bipartisan amendment.

I yield the floor.

Mr. REID. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSON. 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. JOHNSON. Mr. President, I will be offering an amendment to the budget resolution pertaining to agriculture to follow on the amendment of the Senator from Iowa discussing the changes needed relative to agriculture itself. This amendment is cosponsored by my colleague, Senator CONRAD of North Dakota.

This amendment will provide permanency of farm aid for this crop year and will increase the budget for the next 10 years so that Congress can begin to fashion a new farm bill.

This amendment includes $9 billion in emergency farm assistance for fiscal year 2001 and $88 billion in additional agricultural assistance above the Congressional Budget Office baseline over the years 2002 to 2011, including a minimum of $9.4 billion for farm conservation programs. This is roughly a 50-percent increase over the baseline funding for conservation.

Finally, of the $88 billion in additional funds provided to agriculture during fiscal years 2002 through 2011, $58 billion is provided for the fiscal years 2003 through 2007, assumed to be the first 5 years of the new farm bill and also the period when the need for additional assistance, frankly, will be greatest.

We have found an immense shortcoming in the existing farm legislation, and we have augmented that funding in recent years —3 years in a row now—with ad hoc disaster legislation. We seek to make room in this year's budget debate for the eventuality of the need for an additional augmentation to address this year's disaster in the same manner as we have in the past years.

Frankly, the budget numbers contained in this amendment will be less than what many of the farm organizations are coming to Washington contending they will need. Nonetheless, it will assure the ability of Congress to address these issues both for the coming fiscal year and during the duration of the coming farm bill.

I know there are those who will suggest that there is a contingency fund, and we can turn to that in the event those funds are needed. But the contingency fund, as outlined by the President, consists largely of Medicare trust fund dollars. And secondly, the predictable demands on those dollars—the need for increased spending for defense, for tax extenders, for alternative minimum tax reform, for pension reform, for any number of other issues which we know very well will need to be brought up during this Congress—will more than overwhelm the contingency fund. The responsible approach is, instead, to provide explicitly for agriculture in the course of working up this budget resolution.

I believe there will be a significant tax cut. My constituents want a tax cut. I support a significant level of tax relief. But we need to make sure, as we approach this budget resolution, that while on the one hand we do secure the funding necessary for significant tax cut relief, particularly for middle-class and working families, at the same time we balance it in a thoughtful fashion so that we are allowed to pay down debt, strengthen Medicare, strengthen education, and, among other things, take care of our needs in rural America.

Rural America has not prospered over this past decade in the way that most of the rest of our Nation has. These have been growing times, prosperous times across much of America. Much of the rural side of our Nation has struggled under population loss, under low incomes, under staggeringly low agricultural prices, all at the same time input costs—from fertilizer to fuel—have gone through the roof.

Farmers and ranchers all across our Nation have been caught in a terrible bind these last several years, and we need, in the course of putting together this budget resolution, to make sure we have provided the necessary resources so that the Ag Committee can go on with the construction of a new farm bill and so we can avoid the uncertainty of disaster relief in the coming year.

Since 1997, our Nation's family farmers have experienced a price crisis of simply enormous proportions, perpetuated by a series of weather-related disasters in certain regions. Surplus crop production both here and abroad, weak global demand—exports are down—agribusiness consolidation resulting in a loss of market access, and an inadequate farm safety net, all of these coming together are prime reasons, in my opinion, for what is a price crisis both in the grain sector and the livestock sector of our ag economy.

Moreover, given the input-intensive nature of production agriculture, many farmers and ranchers are having to pay more each year for their critical inputs. This situation has put them in a price-cost squeeze, making it nearly impossible to earn returns that cover their expenses.

As a result of woefully inadequate farm bill price protection, Congress has enacted multibillion-dollar disaster programs over the last 3 years—in fact, a record $28 billion in fiscal year 2000. It should be noted that direct Government payments accounted for around three-fourths of net cash income from major field crops in 1999 and for about two-thirds in the year 2000.

USDA predicts 2001 may be the worst year ever. Without supplemental income or emergency aid, USDA estimates that net farm income in 2001 could reach its lowest level since 1984—the absolute depth of the farm crisis in this Nation in recent generations.

That said, I am disappointed that the underlying budget resolution does not include funding for a new farm bill that will ensure economic security for family farmers, ranchers, and rural communities now and into the future. It is clear that the 1996 farm bill's promise to create a bridge to prosperity and less dependence upon Government assistance for farmers has been broken. Three years of costly ad hoc disaster and economic aid programs illustrate the need to revise our farm policy now and to do it in a financially responsible way.

I believe Congress can and should amend current farm policy immediately to provide a more predictable and secure safety net for family farmers. Our amendment also will provide for that opportunity.

I am pleased to join the ranking member of the Budget Committee, Senator CONRAD, to include funding in the fiscal year 2002 budget resolution so that Congress can, in fact, enact changes to the underlying farm bill and provide a more predictable and responsible safety net for our farmers and ranchers throughout this Nation.

There will be tax relief, and there will be significant tax relief. But while the President is correct that the budget surplus, to the extent that it exists, is the American people's money, it is also the American people's farm problem, the American people's education problem, the American people's debt reduction problem, the American people's crisis in any number of other areas which must be addressed in a thoughtful and responsible manner in the course of putting together this budget resolution.

It is my hope, rather than this unending partisan head knocking that has gone on here for far too long, that in fact we can reach some bipartisanship in the creation of this budget resolution which will set the framework then for the budget and tax discussions for the remainder of this 107th Congress.

It makes no sense to me that there has been such a lack of willingness to negotiate, such a lack of willingness to bring both sides together in a bipartisan fashion. What we have here is the people's budget problem. It is one that is solvable if people of good faith will work together in a constructive fashion, understanding there is give-and-take that will be necessary on both sides.

It seems to me what is not constructive, what is not helpful, is where either side takes a ‘‘my way or the highway,’’ ‘‘nothing is negotiable,’’ ‘‘one side has all the wisdom in the world’’ kind of approach, either to agricultural policy or to any other aspect, any other component of the budget issues facing us in America today.

So I look forward to offering this amendment and to continuing debate in the future on the financial aspects of what will be required to bring rural America into the level of prosperity and opportunity that the rest of America has enjoyed and experienced over this past decade.

Mr. President, I suggest the absence of a quorum.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator withhold the suggestion of the absence of a quorum?

Mr. JOHNSON. Yes, I withdraw my suggestion.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the underlying amendment offered by Senator GRASSLEY from Iowa and the amendment that will be offered as a counter to it is exactly what needs to be discussed when we talk about the Federal budget. What are our priorities? What do we think is important in this country? What do we as Senators and Members of the House believe ought to be done? What ranks near the top?

We come, those of us from farm country, to the Congress saying family farming is important to this country. We believe that family farming contributes something very substantial to America; it always has. There was an author who died some years ago named Critchfield who described what family farming provides to our country. He described the origin of family values coming from family farms, and rolling from family farms to small towns, to big cities, refreshing and nourishing the family values of our country. I believe that to be the case. I believe a network of food producers across this country is important to this country's strength and its security.

Some take the position that it does not matter whether we have family farmers. They say: Corporations will farm America. We don't need people living out on the land. We have dairy operations in California that milk 3,500 cows three times a day.

Those are agrifactories, not family farms. We have corporations that will buy land and have tractors big enough to plow as far as you can see. And, yes, they will produce America's food. But this country will have lost something if we decide that family farming is not important in our future. It will have lost part of its culture and its heritage.

Europe has taken a different tack, a different road.

Europe has already decided family farms are important. They want people to be able to live out on the land, to produce their food, and to be able to make a decent living producing their food. The result is, in rural Europe, farmers are doing well and small towns are thriving, as compared to this country where small towns are dying and family farmers are struggling and rural economies are shrinking like prunes.

We have an opportunity in this country to decide what kind of future we want, what kind of an economy we want.

In speaking about farming and its culture for a moment, I come from a town of nearly 300 people. I graduated from a high school class of nine. In my hometown and towns similar to it all across the rural State of North Dakota, wonderful things result from a culture that is important to this country.

Let me give an example. In one community in North Dakota, a man and his wife run a gas station, according to news reports. But they don't want to work all day because they are of retirement age. So at about 1 o'clock in the afternoon, they close their gas station, hang the key to the gas pump on a nail by the door to their gas station, and also have a pad there so if when they are closed you need gas, you take the key, unlock the pump, fill your car, and make a note that you have taken gas. Yes, that happens in America, in rural America, in a very small town in North Dakota.

Another small town in North Dakota, as part of our rural culture, can't keep a cafe open, a town restaurant. So they have all members of the community who are able-bodied sign a sheet to say when they will work for nothing to keep the restaurant open. That is the way they have a restaurant in their town.

Another community had a grocery store close up, and so the city council decided the town would build a grocery store. I was there the day they opened it with a high school band playing on Main Street in this little town of Tuttle, ND, proud as the dickens at the new grocery store they had built for themselves. Some would call it socialism because it is not a private grocery store. The town decided to put together a little nonprofit group, and they built their own grocery store because they lost the store they had. Wonderful things happen in rural cultures where family farms support small towns.

In my home county, some long while ago, there was a robbery. In my little town a robbery is almost unheard of. It prompted the county sheriff, after investigating, to say that there had been no sign of forced entry for the cash that was stolen because the people had gone on vacation for 2 weeks and had not locked their home. Let me repeat that. The people had gone on vacation for 2 weeks and had not locked their home. Why? Because they didn't have a key for their home in any event.

The county sheriff of my home county put out a missive to all the folks in the county saying, if you are going to vacation, you should consider locking your home. And a good many people in my hometown said that was a real problem because they didn't have locks. Then he said something very radical. He said: When you park your vehicle on the main street in Hettinger County, you should consider taking the keys out of the vehicle. A couple of ranchers observed to the county newspaper that they wondered what if people needed to use their pickup trucks. That happens in rural America. That is a rural culture. That is something that is important. That comes from family farms dotting the landscape, providing the economic blood vessels by which small towns survive and thrive.

In this country all too often family farmers are hanging on by their fingertips, struggling during tough times with collapsed commodity prices. Small towns are shrinking and dying all across this country.

I have a map that I haven't brought to the floor. I will bring it to the floor when I offer an amendment in a couple of days that shows the counties in this country that have lost 10 percent of their population in the last 25 years. It is blocked out in red. It is a big egg-shaped area from North Dakota down to Texas. We are depopulating rural America. The middle part of America is losing its population, a century after we homesteaded rural America, a century after we told people: You go out and if you take 160 acres of land and improve that land and build a farm, we will give you the 160 acres. That was under the Homestead Act. That is how people went to the Dakotas at that time. That is how my great-grandmother went there with four kids after her husband had a heart attack. She went to Hettinger County, ND, and pitched a tent, built a home, and created a farm, and the Government gave her 160 acres of land under the Homestead Act. That is the way we populated rural America.

Now that county, as virtually every other county in America, is shrinking like a prune because farmers can't make a living when prices collapse and prices have gone down and down and stayed down.

Now the question is, Does this Congress care? Does this country care? Are we going to, in public policy, decide that family farmers matter, that we want our food produced with a broad network of food producers, families living out there with the yard light shining on a yard and contributing to a culture of the type I have just described that is something unique and wonderful in this country or are we going to take the position that some take that the family farm is similar to the little old diner that got left behind when the interstate came through and we have fond memories of it—but so long.

I hope this Congress decides that family farmers matter to this country. The space between New York and Los Angeles is not just air time. It is a lot of good country. When you get to the middle of America, you find a lot of good people. They struggle to produce crops against all the odds.

Some say: Why do you need something special for farmers? Farmers are no different than the hardware store in town. But farmers are very different. A farmer borrows money to put a seed in the ground in the spring, borrows money to fuel the tractor to put that seed in the ground, and then fertilizes that seed and hope it grows. If it grows, it is good luck, that crop. If it grows, it is good luck for the farmer. But it might get eaten by insects, it might be destroyed by hail, disease, all number of elements over which farmers have no control can affect that crop. And perhaps if the farmer is lucky enough to take that crop off in the fall and haul it to an elevator, in a world in which nearly half the people are hungry, the grain trade now tells that farmer the food you struggled to raise has no value.

Think of that. In a world in which 500 million people go to bed with a severe ache in their belly every night because it hurts to be hungry and in a world in which half the people don't have enough to eat, our farmers are told their food has no value. It somehow is not a national asset. There is something fundamentally bankrupt about that kind of thought.

My point on this amendment and on this bill is this: Are we going to keep skipping around here, just sort of doing enough to avoid the charge that we are not doing anything or is this Congress going to decide that one of its priorities is to do something to help family farmers so we have family farmers in our future? Does agriculture or family farming matter? We will see.

We know what matters to some. We know to some the only thing that matters is a $1.6 trillion tax cut. I am for tax cuts. It is not exactly political heavy lifting to be for tax cuts. That is zero gravity in politics. You want to go out and say you are for tax cuts. That is not exactly heavy lifting. I am for tax cuts. I am not for $1.6 trillion. I am not for taking money out of the Medicare trust fund in order to do it. I am not for tax cuts at the expense of education or family farming. I am not for tax cuts at the expense of paying down the debt. I am for tax cuts that make sense for our country, that allow us also to pay down the Federal debt, to improve our schools, to help our farmers, and to do the other things we need to do in this country to make this a good place in which to live.

This is all about priorities and balance. We are going to have a couple of amendments offered on the issue of funding agriculture. One is going to be short. The other, shorter than I would like, will address this issue in a much more robust way. We can choose what is our priority.

Look in the rear-view mirror a few years and dig out the debate in the CONGRESSIONAL RECORD that preceded the most recent debate on Freedom to Farm. See who said what. Those who said they were friends of family farmers said we were headed towards nirvana; I see a day in the golden sunset in which farmers will no longer be dependent on the Government and we will have robust, aggressive, decent prices for family farm products all across the country; farmers will be able to make a good living.

They said that when wheat was $5.50 a bushel. And they put in place a farm program that said: We have a new theory. Our theory is, we don't need countercyclical help for farmers. When we have a price valley, let farmers fall into the valley. We don't need a bridge across that price valley.

So Congress passed that legislation. I didn't vote for it. Congress passed that legislation. The price of wheat collapsed, from $5 right off the table. It just flat collapsed.

Every single year since that time, the so-called Freedom to Farm bill has been demonstrated a failure. It doesn't work. We are going to transition for 7 years with transition payments or so-called AMTA payments out of any kind of support for family farmers. That never made sense. If a country says family farming doesn't matter, then that is the route to take. But I expect most in this country believe family farming matters a great deal. Certainly most in this Chamber profess they believe that.

If that is the case, let us finally put together a farm program that works. Let's stop shadowboxing. This is all political shadowboxing. Let's decide this is a priority. And on this day and in this way, we will put together a program that works, something that says to family farmers: You matter, too. You are part of our future. We care about family farming.

I am not going to be apologetic for saying this is important to my State and to our region of the country. This is important to our entire Nation.

As I indicated when I began, Europe has already made this decision, and good for them. This country ought to as well. Europe long ago decided they were hungry once and they will not be again.

How do you make certain you are not hungry? You make certain you have a network of food producers dotting the land, family farms producing America's food—in this case, producing Europe's food. You decide you are going to pay people who work hard on family farms a decent return on that which they produce.

As I said earlier, it is inconceivable to me that which we produce in such great abundance and that which the world needs so desperately—food, coming from our family farms—is deemed to have so little value by the grain trade.

Part of this is an issue some of us will work on together as well, and that is all the monopolies in every direction farmers face. Do you want to put your grain on a railroad? Guess what. The railroads are in monopoly or near monopoly. They are very few. They will tell you where you are going to be and what they are going to charge.

Do you want to sell your grain? It does not matter what kind of milling you are talking about selling it into. The top three or four firms are going to control almost all of them.

Do you have some animals you want to sell—fat steers or hogs? Sell them into the production cycle, and guess what. Two, three, or four firms are going to control 70 or 80 percent of all of the processing.

In every direction farmers face monopolies. They have their fist around the neck of the marketing bottle in a way that chokes family farmers every single way. We need to do something about that. It is time for this country to stand up for some antitrust enforcement and bust some trusts and break some monopolies.

Today we are talking about the priorities. With this budget, what are we committing to decide we are going to have a nation of family farmers in our future? I hope we will make the decision to do enough.

The amendment offered by my colleague from Iowa is short. It is not enough. It does not meet the needs. In any case, it comes from, in large part, the so-called contingency fund. David Copperfield is on television with his special, talking about illusions. He has his match in this Chamber with respect to illusions. We have been hearing about this mythical contingency fund for hours and hours, and we will hear about it all week. It is an illusion.

To the extent any part of it is real, a significant part comes from the Medicare trust fund which was supposed to have been in a lockbox. So now we are talking about Houdini, not David Copperfield, because somebody opened the lockbox and put it in the so-called contingency fund.

We can do a lot better than that. Let us decide this is a priority, that family farmers matter, that family farmers are a priority for this country, and fund it the way it should be funded. We should reject the amendment offered by the Senator from Iowa and accept the amendment to be offered by my colleague from South Dakota and my colleague from North Dakota tonight or tomorrow morning.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from North Dakota.

Mr. CONRAD. Mr. President, this is a place where we have some fundamental agreement and yet some disagreement on how to accomplish the goal.

We face a crisis in American agriculture. It is deep, it is abiding, and it is devastating.

Let me put up a chart that shows what USDA tells us will happen to net farm income in the period from 2000 to 2002, the last 2 years on this chart. One can see that net farm income is going to plunge unless we take action.

Senator GRASSLEY is to be commended for taking action by offering his amendment. I disagree with some of the specifics, but I commend him for standing up for American agriculture at a time of extreme need.

The next chart shows what our major competitors are doing in comparison to what we are doing to support our producers.

The European Union, our biggest competitors in world agriculture, is providing $313 an acre of support per year to their producers. By comparison, we are providing $38 an acre for our producers. Europe is doing nearly 10 to 1 over and above what we are doing—nearly 10 to 1. Those are the very difficult circumstances our farmers face.

We are telling our farmers: You go out there and compete against the French farmer and the German farmer, and while you are at it, take on the French Government and the German Government as well.

That is not a fair fight.

That is just the first part of the equation. Let us go to export assistance. This chart shows that the European Union is flooding the world with agricultural export subsidies. The blue part of this chart is the European share of world agricultural export assistance. One can see the Europeans account for 83.5 percent of all the world's agricultural export subsidies. The U.S. share is that little red piece of the pie, 2.7 percent.

The Europeans are outgunning us on export assistance 30 to 1—10 to 1 on domestic support, internal support, and 30 to 1 on export assistance. We wonder why American agriculture is in trouble. We worry why Europe is gaining world market share. It is very clear if one does an analysis of why that is occurring. It is because they are providing much greater assistance to their producers than we are to ours.

Let us go to the next chart. Here is the history from 1991 to the year 2000. The green line is the prices farmers pay for inputs. That line goes up, up, and away. The red line is the prices farmers have received.

One can see that the peak of what farmers received was in 1996, right before we enacted the last farm bill. Since then, prices farmers have received have gone down, almost straight down.

The gap between the prices farmers pay and the prices on what they sell is growing, is dramatic, and is devastating. That is what has led to the crisis in American agriculture. That is what requires a response. That is why the Senator from Iowa is proposing this amendment. That is why we will propose an alternative that we think is superior, that is better, that has more funding because, very frankly, what the Senator from Iowa has offered is inadequate: $63.5 billion over 11 years will not come close to matching what the Europeans are doing. It will not come close.

Our amendment provides $97 billion over that 11-year period. We fund it in the first year, in the current budget year, out of the surplus and in the succeeding years out of the President's proposed tax cut. We would reduce the size of his tax cut slightly to provide additional support to agriculture.

Why don't we adopt the proposal of Senator GRASSLEY? Very simply because once again the proposal he is offering goes right into the Medicare trust fund to provide support for agriculture.

This next chart shows year by year. This is the problem I addressed on prescription drugs. It repeats itself. These are the year-by-year numbers in the Republican budget. In the year 2005, they only have $7 billion available without going into the Medicare trust fund. The next year they only have $12 billion available.

Senator GRASSLEY's proposal spends $9 billion in the year 2005 for this package. He is going into the Medicare trust fund to provide the resources for agriculture. We say, no. We want to provide the resources for agriculture. We have an amendment at the desk to do it. We provide 50 percent more so we can come close to matching our major competitors, the Europeans. We say, no, we are not going to tap the Medicare trust fund to do it. We are not going to tap the Social Security trust fund or the Medicare trust fund for any other purpose, we don't care how laudatory. We think it is wrong.

If any company in America tried to tap the retirement funds of their employees or the health care trust funds of their employees, they would be headed to a Federal institution, but it would not be the U.S. Congress. They would be headed to a Federal institution. They would be headed for a stretch. It is illegal. You can't raid the trust funds if you run a company. You can't raid the retirement funds of your employees. You can't raid the health care trust funds of your employees, and we shouldn't either. We have stopped this practice the last 3 years and we shouldn't take it back up. We ought to draw a bright line and say no raiding of the Social Security trust fund, no raiding of the Medicare trust fund, not in any year.

That is why we have a different proposal. Our proposal says very clearly, yes, additional assistance to agriculture and substantially more than is in the Grassley plan. We have $97 billion over 11 years; he has $64 billion over 11 years. I think the more important difference is we will not raid the Medicare trust fund to do it. In the first year, this current fiscal year, we take it out of the $96 billion of nontrust fund surplus that is available, and in the succeeding years, we take it by reducing slightly the President's proposed tax cut.

AMENDMENT NO. 176

(Purpsoe: To provide emergency assistance to producers of agricultural commodities in fiscal year 2001, and additional funds for farm and conservation programs during fiscal years 2002 through 2011)

Mr. CONRAD. Mr. President, I call up the Johnson amendment.

The PRESIDING OFFICER. The Grassley amendment is laid aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for Mr. JOHNSON, for himself, Mr. DASCHLE, Mr. HARKIN, Mr. DORGAN, and Mrs. LINCOLN, proposes an amendment numbered 176.

Mr. CONRAD. Mr. President, I ask unanimous consent reading of the amendment be dispensed.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. CONRAD. I ask unanimous consent Senator JOHNSON be shown as the prime sponsor, that I be shown as a cosponsor, along with Senators DASCHLE, HARKIN, DORGAN, and LINCOLN.

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

Mr. CONRAD. I yield the floor.

Mr. DOMENICI. Mr. President, I don't have anything further to say. I will have a chance tomorrow to speak again. I think we have a unanimous consent agreement that takes over.

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

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

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent there now be a period of morning business with Senators permitted to speak up to 10 minutes each.

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

THE CRISIS IN CHINESE-AMERICAN RELATIONS ON HAINAN ISLAND

Mr. AKAKA. Mr. President, the only way to resolve the current crisis in American-Chinese relations is the prompt and safe return of the 24 American airmen now being detained by the Chinese military on Hainan Island and by the swift return of the U.S. Navy's plane. Only after their return can we begin to discuss other issues with China over this and other incidents affecting our relations.

I am deeply disturbed by the delay in allowing American embassy personnel to meet with our service personnel, and I am concerned about press reports that they are being detained in separate areas. I understand our bilateral consular agreement requires the Chinese to provide full access to American citizens within four days but nothing precludes them from giving such access sooner. Indeed our consular agreement with China requires consular access to all American citizens within 48 hours of receipt of official notification of their detention. As Chinese officials issued statements concerning their detention on April 1, China may already be in violation of its consular agreement with us. The fact that American consular officials are already present on Hainan Island and the extraordinary circumstances surrounding our plane's emergency landing on Hainan provide the Chinese authorities with an opportunity to demonstrate their good will.

Press reports that Chinese personnel have entered our plane and removed equipment are also deeply disturbing. Under international law, the plane enjoys sovereign immune status as the incident took place in international air space and the plane should not have been entered or tampered with. There is no doubt about the location of the incident as even the Chinese Foreign Ministry press spokesman, Mr. Zhu Bang Zao, acknowledged that it took place 104 kilometers, or 65 miles, at sea.

This incident is the most recent in a series of serious episodes in American-Chinese relations since the establishment of diplomatic relations between our two countries. When the Chinese embassy was mistakenly bombed in Belgrade, we moved quickly to assume responsibility and to make appropriate amends. I hope that the Chinese are now willing to take similar steps to defuse the situation and restore the trust necessary between two great nations. It behooves both countries to exercise restraint and respect for each other. The first step towards resolution is for China to release our detained personnel and equipment. Perhaps they do not realize how profoundly affected Americans are by the perception that their fellow citizens are being mistreated or misused as tools of political propaganda. The seizure of the U.S.S. *Pueblo* by North Korea and the takeover of the American Embassy in Iran, as examples, remain sores in the American psyche. We deeply resent the mistreatment of Americans for simply being Americans doing their duty under the protection of international law and agreements. We can also understand China's concern over the loss of its pilot and plane. We regret their loss but prolonging this crisis can benefit neither country nor lead to a reconciliation between us.

A first step needs to be taken. I hope the leaders of our two countries do so soon by opening a direct dialogue. May God bless our servicemen and women who are now suffering this time of trial. Our thoughts and prayers are with them constantly.

THE BIPARTISAN CAMPAIGN REFORM ACT OF 2001

Mr. KERRY. Mr. President, yesterday, at long last, the United States Senate voted to take a first step toward reforming our campaign finance system. This long awaited vote comes after years of partisan delay tactics which have long prevented us from taking an up-or-down vote on this bill. It also comes after an election in which $3 billion was spent in an effort to elect or defeat candidates. Today we have the chance to pass reform which at the very least demonstrates that we've learned a lesson from years of scandal and year upon year of runaway spending.

But let me be clear about something: despite the rhetoric we have heard on the Senate floor, the bill we vote on today is not sweeping reform that will give one party or the other the edge when it comes to funding campaigns. Instead, this bill simply restores, to a certain degree, the campaign finance reform laws that we enacted more than 25 years ago. Back then, in the post-Watergate era, we recognized that it was time to prevent secret stashes of cash from infiltrating our political system. We succeeded in that effort, and I believe the system worked reasonably well for some time, until the recent phenomena of soft money and sham issue advocacy overtook the real limits we had established for our campaign system.

I want to take a minute, to talk about how we got to this point in which our system so desperately needs this modest reform bill. Federal law has prohibited corporations from contributing to federal candidates since 1907. This nearly hundred-year-old ban was enacted in recognition of the fact that corporations accumulate great wealth that could be used to distort electoral outcomes. Labor unions likewise have been barred from contributing to candidates since 1943. In addition, the post-Watergate campaign finance law capped individual contributions to candidates, parties and PACs. These limits were put in place after the country learned a hard lesson about the corrupting influence of money in politics.

Unfortunately, the Federal Election Commission and the courts opened the loopholes that ultimately eviscerated our reform efforts. Soft money first came into play in 1978 when the FEC, the toothless watchdog of our campaign finance laws, opened the door to the cascade of soft money by giving the Kansas Republican State Committee permission to use corporate and union funds to pay for a voter drive benefitting federal as well as state candidates. The costs of the drive were to be split between hard money raised under federal law and soft money raised under Kansas law. The FEC's decision in the Kansas case gave parties the option to spend soft money any time a federal election coincides with a state or local race.

Sham issue advocacy too, has a history that defies the intent of campaign finance laws. In what remains the seminal case on campaign finance, Buckley v. Valeo, the Supreme Court held that campaign finance limitations applied only to ''communications that in express terms advocate the election or defeat of a clearly identified candidate for federal office.'' A footnote to the opinion says that the limits apply when communications include terms ''such as 'vote for,' 'elect,' 'support,' 'cast your ballot for,' 'Smith for Congress,' 'vote against,' 'defeat,' 'reject.' '' The phrases in the footnote have become known as the ''magic words'' without which a communication, no matter what its purpose or impact, is often classified as issue advocacy, thus falling outside the reach of the campaign finance laws.

Until the 1992 election cycle, most for-profit, not-for-profit, and labor organizations did not attempt to get into electoral politics via issue advocacy. However, that year a group called the Christian Action Network ran an ad that stretched the distinction between express advocacy and issue advocacy to its limits. The ad, which was broadcast at least 250 times just before the presidential election, was described by a court as giving candidate Bill Clinton a ''sinister and threatening appearance'' before finally wiping his image from the screen. The 30-second spot, entitled ''Clinton's Vision for a Better America,'' denounced what the Christian Action Network labeled Clinton's ''homosexual agenda.'' The ad never used Buckley's ''magic words'' and the Court of Appeals decided that the ad was a discussion of issues related to ''family values'' rather than an exhortation to vote against Clinton in the upcoming presidential election.

The ad by the Christian Action Network and others like it opened the flood gates to more so-called issue advocacy in later elections, resulting in the half-a-billion dollars in sham issue ads that influenced the 2000 elections.

Soft money and sham issue advocacy became predominant features of our campaign finance system even though neither was intended to play a role in our campaigns when the post-Watergate reform laws were written. The result? Last year approximately $1 billion in soft money contributions and sham issue ad expenditures influenced our federal elections. Many who oppose reform will argue that both soft money and sham issue ads are constitutionally protected and should be allowed to continue unfettered. I would like to take just a moment to address those arguments.

We have been told that the ability to donate hundreds of thousands of dollars in soft money is constitutionally protected. The truth is, banning soft money contributions does not violate the Constitution. The Supreme Court in Buckley held that limits on individual campaign contributions do not violate the First Amendment. If a limit of $1000 on contributions by individuals was upheld as constitutional, then a ban of contributions of $10,000, $100,000 or $1 million is also going to be upheld. It simply cannot be said that the First Amendment provides an absolute prohibition of any and all restrictions on speech. When state interests are more important than unfettered free speech, speech can be narrowly limited. Speech is limited in cases of false advertising and obscenity. In addition, we are not, as the saying goes, free to yell ''fire'' in a crowded movie theater. In those cases, there is a compelling reason to limit speech. Buckley, too, said that the risk of corruption or the appearance of corruption warranted limits on individual campaign contributions. Soft money contributions to political parties can be limited for the same reason.

In addition, in Nixon v. Shrink Missouri PAC, the Supreme Court recently justified its decision to uphold a $1050 contribution limit for elections in Missouri, stating that it was concerned with ''the broader threat from politicians too compliant with the wishes of large contributors.'' It went on to say: ''Leave the perception of impropriety unanswered, and the cynical assumption that large donors call the tune could jeopardize the willingness of voters to take part in democratic governance.'' I think the Supreme Court's language bodes well for the likelihood that a soft money ban will be upheld.

Likewise, I believe that the electioneering provisions of the bill will be upheld. It's a trickier case, but I would submit that the bright line test in McCain-Feingold satisfies the Supreme Court's holding in Buckley. The so-called ''magic words'' test of express advocacy has come to provide what is a wholly unworkable test that I believe was never the intention of the Court. The magic words test elevates form over substance, and in practice has proven meaningless. The proof of that is in the half-a-billion dollars in sham issue ads that were aired last year.

I would add that the test in this bill does not stop any advertisements. Advertisements that simply discuss issues, without naming candidates are always permissible. Advertisements that air within 30 days of a primary or 60 days of a general election can discuss issues, as long as the ads do not depict a particular candidate. And any advertisement can be aired at any time, as long as it is paid for with hard money.

A final argument opponents of reform like to make is that we spend less on campaigns than we do on potato chips or laundry detergent. But I would ask the proponents of this argument whether what we are seeking in our democracy is electioneering that has no more depth or substance than a snack food commercial. Because, despite the ever-increasing sums spent on campaigns, we have not seen an improvement in campaign discourse, issue discussion or voter education. More money does not mean more ideas, more substance or more depth. Instead, it means more of what voters complain about most. More thirty-second spots, more negativity and an increasingly longer campaign period. Less money might actually improve the quality of discourse, requiring candidates to more cautiously spend their resources. It might encourage more debates, as was the case in my own race against Bill Weld in 1996, and it would certainly focus the candidates' voter education efforts during the period shortly before the election, when most voters are tuned in, instead of starting the campaign 18 months before election day.

The American people don't buy the arguments made by opponents of reform. The American people want us to forge a better system. A national survey conducted by the Mellman Group in April of last year found that by a margin of 68 percent to 19 percent, voters favored a proposal that eliminates private contributions, sets spending limits and gives qualifying candidates a grant from a publicly financed election fund. That same survey also found that 59 percent of voters agree that we need to make major changes to the way we finance elections. But perhaps the most telling statistic from this survey is that overwhelming majorities think that special interest contributions affect the voting behavior of Members of Congress. Eighty-seven percent of voters believe that money impacts Members of Congress, with 56 percent expressing the belief that if affects the members ''a lot.'' Even when asked about their own representatives, the survey again found that voters overwhelmingly believed that money influenced their behavior. Eighty-two percent believe campaign contributions affect their own members, and 47 percent thought their representatives were affected ''a lot.''

McCain-Feingold is an important piece of legislation that begins to tackle the problems of soft money and issue advocacy I have outlined. I support this legislation, but I would note one serious shortcoming of the bill. It won't curb the rampant spending that drives the quest for money. Unfortunately, we all recognize that creating spending limits is not a simple proposition. In the 1996 Buckley case, the Supreme Court struck spending limits as an unconstitutional restriction of political speech. An important caveat to its decision is that spending limits could be imposed in exchange for a public benefit. I wish we had at our disposal a number of bargaining chips, public benefits that we could trade in exchange for spending limits. However, unless the Supreme Court reverses itself, something I am certainly not expecting in the near future, we must accept that if we want to limit the amounts spent on campaigns, we must provide candidates with some sort of public grant.

The votes we have taken on various amendments addressing public funding make it clear that a lot of my colleagues aren't ready to embrace public funding as a way to finance our campaigns. But it is, in my opinion, the best constitutional means to the important end of limiting campaign spending and the contributions that go with it. Ultimately, I believe in the potential of a system that provides full public funding for political candidates. I would also support a partial public funding system, such as the one I offered in an amendment to this legislation. That amendment would have freed candidates from the need to raise unlimited amounts of money by providing with ''liberty dollars'' in the form of a two-for-one match for small contributions, in exchange for the candidates agreeing to abide by spending limits. I believe that any system that reduces candidates' reliance on private money and encourages them to abide by spending limits will ultimately be the best way to truly and completely purge our system of the negative influence of corporate money.

Many of our states are already engaging in a grand experiment to see if full or partial public funding of campaigns serves the goals of reform. At the state level, politicians are learning that the cost of campaigns can be capped without reducing the effectiveness of a campaign. Challengers are becoming more competitive as their campaigns are infused with public money. Incumbents are learning that they can spend less time fundraising and more time governing if they avail themselves to public campaign funds. And our citizens are learning that their faith in the political process can be restored as money no longer appears to influence the political process.

I am pleased that my home state of Massachusetts is one of the states that is experimenting with a Clean Money, Clean Elections law. The law, which voters adopted by referendum in 1998, will go into effect this year and will provide candidates for state office with full public funding if they agree to abide by spending limits. A recent survey of voters across the state found that three-fourths support the law. I am optimistic that the majority will grow after the law is put to its first test during the upcoming elections.

It seems that Clean Money, Clean Elections laws are off to a good start in the states. But we need to know more about how well these programs work. That is why I am pleased that the managers of this bill accepted an amendment I offered that will require the GAO to examine the impact of Clean Money, Clean Elections laws in states where they have been enacted. Specifically, my amendment will require the GAO to determine more about the candidates who have chosen to run for public office using Clean Money, Clean Elections funds. It will provide us with concrete figures on which offices attract Clean Money, Clean Elections candidates, whether incumbents choose to use clean money, and the success rate of Clean Money candidates.

In addition, the GAO will be able to determine whether Clean Money, Clean Elections programs reduced the cost of campaigns, increased candidate participation or created more competitive primary or general elections.

We should encourage states to experiment with reform. I believe an objective study as required by this amendment will better enable leaders at the state level to evaluate the Clean Money, Clean Elections option. In the end, we may all learn that there is an important role for public financing in state and ultimately federal elections.

As I said before, this bill, which bans soft money, regulates sham issue ads, and provides a study for public funding systems provides a good first start to reform, and I will therefore support it. I have one serious reservation about the bill, however, and that is its increase in the hard money limits. Although I fully understand the argument that the limits have not kept up with inflation, I am concerned that the increases in individual limits and, most especially, aggregate limits, do not take us in the right direction of decreasing the amount of money in elections. Moreover, this increase simply enables the tiniest percentage of the population that currently contributes large contributions to contribute even more. This increase does nothing at all to increase the role the average voter plays in our election process.

Nevertheless, the vote yesterday is a victory for reform—but it needs to be the first vote, not the last. I want to offer my congratulations to my friends RUSSELL FEINGOLD and JOHN MCCAIN on this victory for reform, passage of a bill that breaks free from the status quo and will help us restore the dwindling faith the average American has in our political system. For too long we've known that we can't go on leaving our citizens with the impression that the only kind of influence left in American politics is the kind you wield with a checkbook. This bill reduces the power of the checkbook and I am proud to support it.

STATEMENT OF INTENT

Mr. SPECTER. Mr. President, I concur with the statement of supporters of the Bipartisan Campaign Reform Act of 2001, with respect to the discussion of the intent of the Specter amendment.

VIOLENCE AND SUBSTANCE ABUSE

Mr. LEVIN. Mr. President, the Josephson Institute of Ethics, a nonpartisan, nonprofit organization, recently released its survey on violence and substance abuse in the United States. The survey finds that a disturbing number of young people have easy access to guns and have brought those guns and other weapons to school in the past year.

According to those surveyed, 47 percent of all high school students and 22 percent of all middle school students reported having easy access to guns. Of those students who reported drinking at school in the past 12 months, those with easy access to guns jumped to an astonishing 71 percent for high school students and 59 percent for middle school students.

Furthermore, 14 percent of high school students and 11 percent of middle school students admitted that they brought weapons to school in the past 12 months. Again, those numbers increased dramatically among students who also reported drinking at school at some point in the last year to 48 percent for high school students and 57 percent for middle school students.

Easy access to guns among our young people is dangerous, but access to guns paired with access to alcohol or drugs is recipe for disaster. And while the vast majority of students will be safe in their classrooms, our youth's easy access to firearms makes 36 percent of high school students and 39 percent of middle school students feel unsafe at school. Unfortunately, unless Congress and acts to curb youth access to guns, in some cases, that fear may become a reality for more and more students.

CONGRESSMAN NORMAN SISISKY

Mr. LIEBERMAN. Mr. President, I rise today to pay my respects to the memory of my dear friend, Congressman Norman Sisisky. Like many of my colleagues, I was shocked and saddened at hearing the news of his sudden passing last Friday. We have lost a respected and treasured colleague; the people of Virginia have lost one of the most committed and effective men ever to serve in the U.S. House of Representatives; and America has lost a distinguished member of what Tom Brokaw has called ''the greatest generation.''

Norm Sisisky was a classic example of the devoted public official our founders envisioned serving in ''the people's house.'' For Norm was a man of the people, someone who worked hard, played by the rules and maintained a steadfast commitment to his family and community.

That he excelled in politics is no surprise to those of us who knew him. He genuinely liked and respected people and they returned that with the trust and affection. His trademark grin and infectious laugh drew people to him. Norm never took himself too seriously, and always took great delight in good-natured banter.

But he did take his job seriously. He was an aggressive advocate for his constituents in Virginia's 4th Congressional district for the past 18 years. He never forgot his roots, and never wavered in his commitment to fighting for the little guy, and he never lost sight of his role as their voice in our great system.

But of all his many and important public accomplishments, Norm Sisisky was probably proudest of his service in the U.S. Navy, and of his advocacy in Congress for our servicemen and women. Those of us who have had the privilege of watching Norm battle on behalf of our armed services from his position on the House Armed Services Committee were always impressed by his extensive knowledge and his keen insight. And we were inspired by his determination to keep our defenses strong, even if we in the Senate occasionally had to face his formidable presence in disagreement in conference.

I will forever remember Norm Sisisky as a man of considerable skill, devotion, humor, and honor. He leaves behind a loving family, devoted friends, and a strong nation. That is his proud legacy.

CHILD ABUSE PREVENTION MONTH

Mr. FEINGOLD. Mr President, as we welcome the blooms of spring this April, we should also take a moment to focus on the well-being of our most precious resource, our children. Since 1983, April has been nationally recognized as Child Abuse Prevention Month. Since then, organizations like Prevent Child Abuse America have been passionate advocates for our children and have raised awareness of this egregious problem. In my own state of Wisconsin, the local chapter of Prevent Child Abuse America in Madison has been an effective leader in the fight against child abuse.

Child abuse is an urgent national problem. According to Prevent Child Abuse America, more than three million children were reported to child protective service agencies as alleged victims of child abuse or neglect in 1998, and about one million of these reports were confirmed. And these numbers just reflect those cases that were reported. Undoubtedly, many more cases go unreported.

Child abuse is not only physical harm, but it can also include emotional abuse and mental damage resulting from physical abuse. The documented physical and emotional harm to children includes chronic health problems, low self-esteem, physical disabilities, and the inability to form healthy relationships with others.

Protecting our children should be a national priority. I urge my colleagues and others to support child abuse prevention efforts to protect our nation's greatest resource, our children. Working together, we can help end child abuse.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, April 2, 2001, the Federal debt stood at $5,745,399,258,826.83, Five trillion, seven hundred forty-five billion, three hundred ninety-nine million, two hundred fifty-eight thousand, eight hundred twenty-six dollars and eighty-three cents.

Five years ago, April 2, 1996, the Federal debt stood at $5,120,563,000,000, Five trillion, one hundred twenty billion, five hundred sixty-three million.

Ten years ago, April 2, 1991, the Federal debt stood at $3,464,021,000,000, Three trillion, four hundred sixty-four billion, twenty-one million.

Fifteen years ago, April 2, 1986, the Federal debt stood at $2,005,753,000,000, Two trillion, five billion, seven hundred fifty-three million.

Twenty-five years ago, April 2, 1976, the Federal debt stood at $599,291,000,000, Five hundred ninety-nine billion, two hundred ninety-one million, which reflects a debt increase of more than $5 trillion, $5,146,108,258,826.83, Five trillion, one hundred forty-six billion, one hundred eight million, two hundred fifty-eight thousand, eight hundred twenty-six dollars and eighty-three cents during the past 25 years.

ADDITIONAL STATEMENTS

THE GRAND OPENING OF THE ABERDEEN COMMUNITY BASED OUTPATIENT CLINIC

• Mr. JOHNSON. Mr. President, I would like to congratulate the veterans community of Aberdeen on the opening, on April 11, 2001, of their new Aberdeen Community Based Outpatient Clinic. This important event brings the health benefits that our veterans so richly deserve closer to home.

I would like to commend Ron Porzio, the chief operating officer of the Veterans Administration Medical and Regional Office Center in Sioux Falls, the area veterans service officers, Brown County Veterans Service Officer Tom Gohn, veterans service organizations and the Aberdeen area veterans who have done such an outstanding job of making this project a reality.

I was pleased to hear that Avera United Clinic was named the provider for the new VA outpatient clinic in Aberdeen. Avera has made a solid investment in the community and the state, and it was only logical that the clinic should provide quality health care services to our veterans in the Aberdeen area. This is good news for veterans in northeastern South Dakota because they will be able to receive many medical services at the clinic without having to drive several hours to the Sioux Falls veterans hospital.

Congratulations also need to go to Avera St. Luke's Hospital, Dr. Steve Redmond, Physician's Assistant Kevin Vaughan, Clinic Administrator Leonard Severson, the clinic's support staff, and CR Associates on their new partnership with the VA.

Veterans are our country's heroes, and their selfless actions will inspire generations of Americans yet to come. Our country must honor its commitments to veterans, not only because it is the right thing to do, but also because it is the smart thing to do.

I will continue to lead efforts to ensure that our nation's military retirees and veterans receive the benefits they were promised years ago. While I am pleased with some improvements in military health care funding passed into law last year, I am concerned that more needs to be done. Assuredly, I will continue to fight for military retirees and veterans programs throughout this session of Congress.•

HONORING THE CENTRAL BUCKS EAST CHOIR OF BUCKS COUNTY, PENNSYLVANIA

• Mr. SANTORUM. Mr. President, I would like to take a few moments to recognize an outstanding group of young people from Bucks County, PA. The Central Bucks East High School Choirs, under the direction of E. Scott Teschner and the String Orchestra, under the direction of Eileen Telly, traveled to Washington, DC and Virginia to be adjudicated in Music Festivals throughout the weekend of March 30, 2001.

The 25-member String Orchestra performed at Lanier Middle School in Fairfax, VA on Saturday, March 31, and the choirs sang at W.T. Woodson High School, also in Fairfax. These choirs include a 165-voice Concert Choir, 16-voice Varsity Singers, 16-voice Men's Ensemble and 27-voice Women's Ensemble. Later that evening, these talented students celebrated at an awards banquet and dance, and on Sunday, April 1, 2001, they traveled to the West Terrace of the United States Capitol for a public performance.

This group of students has been recognized for their outstanding choral abilities in Washington, Williamsburg, Orlando, Boston, and Montreal. In addition, they have been recognized since 1991 as the "Outstanding Choral Program" in every festival in which they have participated. Performances are judged according to National Standards of Excellence by college choral professors, and the Central Bucks East Choirs consistently earn "Superior" ratings. In addition, they are frequently honored with the "Special Adjudicators Award for Distinguished Performance," presented only to the elite choirs in the nation. These singers have also received the "Spirit of the Festival Award" for the last 2 years, which is awarded to the organization that bests represents their community and school, and that is the most cooperative and enthusiastic during the festival.

It is without a doubt that this group is an outstanding representation of young people in Pennsylvania and across the country. They have demonstrated tremendous talent both musically and through their leadership and maturity. I enthusiastically congratulate the Choirs and String Orchestra from Central Bucks High School-East, and I extend my best wishes for their future success.•

IN RECOGNITION OF MRS. ARBELIA GREER PENNINGTON WOOD

• Mr. LEVIN. Mr. President, I am delighted to rise today to acknowledge and congratulate Mrs. Arbelia Greer Pennington Wood, a resident from my home State of Michigan, who will be celebrating her 116th birthday on Friday, April 6, 2001.

The child of a sharecropper, Mrs. Wood, who is affectionately called "Ma" by her nephews and nieces, was born in Caledonia, MS in 1885. Raised in Alabama, she moved to Detroit in 1934. Throughout her life, she has been guided by devotion to her family and a deep and abiding faith. Though widowed twice, Mrs. Wood has never been alone. She has been actively involved in the lives of her extended family, which includes not only her nieces and nephews, but also children in her neighborhood. Family members and friends have all commented on her cooking abilities and her ability to teach families about cooking, grammar and even carpentry.

In addition to a multitude of nephews and nieces, Mrs. Wood has been blessed to be part of a family noted for its longevity. Her mother lived to be ninety-three years old. A brother of hers lived to be eighty-nine, and many of her younger siblings are currently in their eighties and nineties. One of her nieces has designed a website dedicated to her beloved "Ma." On that website is posted a verse from the Book of Genesis: "Sarah lived to be 127 years old." I cannot help but think that this verse has not only been an inspiration but also a challenge to Ardelia's family.

Mrs. Wood has seen the turn of two centuries. She has also displayed immense courage throughout her life. Twice she has successfully battled breast cancer. In addition, she has participated as a civil rights activist. As a child, Mrs. Woods refused to take the advice of her white doctors to identify herself as being Caucasian. Later in life, she demanded that a Mt. Clemens, MI restaurant serve herself and her darker skinned husband whom they were denying service. The restaurant eventually relented. Arbelia has witnessed the many changes that have affected our society. By caring for her family, actively participating in her church and serving as a midwife, Arbelia Greer Pennington Wood has quietly worked to make this country a better place. Such daily acts of commitment and civic duty are the foundation upon which this nation is built.

Mrs. Arbelia Greer Pennington Wood can take pride on the occasion of her 116th birthday. I am honored to join her family in wishing her a blessed and happy birthday. I hope my Senate colleagues will join me in congratulating Mrs. Arbelia Greer Pennington Wood.•

TRIBUTE TO AMERICAN RED CROSS, MID-RIO GRANDE CHAPTER

• Mr. DOMENICI. Mr. President, I rise to pay tribute to an organization that celebrates a special anniversary in New Mexico this month. The Red Cross, Mid-Rio Grande Chapter this April celebrates its 85th anniversary of being a humanitarian presence in my home state.

Last May, the devastating Cerro Grande wildfire destroyed hundreds of homes in Los Alamos and caused the evacuation of more than 25,000 people in the region. New Mexico residents, business leaders and numerous agencies generously responded to support a relief effort. But one agency stood out as a leader in the swift response to meet emergency needs of the thousands of families affected: the American Red Cross.

The Albuquerque-based Mid-Rio Grande Chapter serves as the Red Cross' lead unit for disaster services in New Mexico. As such, the Mid-Rio

Grande Chapter, working with sister chapters in Los Alamos and Santa Fe, coordinated more than 2,000 volunteers to help ensure that shelters were opened, meals were served, and mental health counselors, nurses, caseworkers and others were available to work with families faced with rebuilding their homes and their lives.

This relief effort, while one of the largest in the state's history, is only one example of the services this Red Cross Chapter provides to disaster victims.

Over the decades, the agency's services have evolved to continue to meet the needs of the communities it serves. The Red Cross was founded in 1881 by Clara Barton. During WWI and WWII, the Red Cross provided extensive services to the members of the U.S. military, supplying more than 80 percent of the bandages used on the battlefields and in the military hospitals. Red Cross nurses and volunteers served in those overseas hospitals, as well as the VA hospitals back home.

Following the wars, new services were formed to meet the needs of veterans. The Red Cross began to expand into home and workplace first aid programs. Swimming lessons and lifeguard training, once unheard of, became a part of hundreds of thousands of children's lives and continues today. CPR and first aid are still taught every week at the Mid-Rio Grande Chapter and around the state and country. In Albuquerque and central New Mexico alone, more than 13,000 people are trained every year.

In New Mexico, the Red Cross also runs a bone and tissue transplantation program. They work closely with United Blood Services to help ensure an adequate blood supply.

In addition to the Albuquerque chapter, the Red Cross also operates chapters in Clovis, Farmington, Hobbs, Las Cruces, Los Alamos, Roswell and Santa Fe.

Throughout program's lifetime, one service has remained constant: disaster relief. Response to fires, floods, windstorms, winter storms, hazardous material spills, transportation accidents, and search and rescue operations has all been part of the everyday work of the American Red Cross, Mid-Rio Grande Chapter. Just last year, they responded to 229 disasters and assisted 285 families, not including the aid given to victims of the Cerro Grande Fire. The Chapter also trains thousands a year in disaster education in an effort to help people prevent, prepare for, and respond to emergencies.

This year, as the Chapter celebrates its 85th anniversary of service, we honor years of commitment and the contributions volunteers have made to our communities by improving and saving lives. These services are made possible only through the generous donations of the people of New Mexico and the nation.

I commend the efforts of the Mid-Rio Grande Chapter of the American Red Cross. I encourage everyone to learn more about the Red Cross and its support services. It is a great organization that relies on public support to ensure that it remains strong and ready to respond to emergency and public safety needs in Albuquerque, the state, the nation, and the world. It is hard to imagine what this country might have been like without the great contributions of one of the world's oldest and largest humanitarian organizations—the American Red Cross.●

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.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1297. A communication from the Regulatory Contact of the Grain Inspection, Packers and Stockyards Administration, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ‘‘Fees for Official Commodity and Rice Inspection Service’’ (RIN0580–AA74) received on March 30, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1298. A communication from the Acting Assistant Secretary of 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 services under a contract in the amount of $50,000,000 or more to Norway; to the Committee on Foreign Relations.

EC–1299. A communication from the Acting Assistant Secretary of 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 services under a contract in the amount of $50,000,000 or more to Russia; to the Committee on Foreign Relations.

EC–1300. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ‘‘List of Communities Eligible for the Sale of Flood Insurance’’ (FEMA Doc. 77750) received on March 29, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1301. A communication from the Counsel for Regulations, Office of Public and Indian Housing, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ‘‘Allocation of Operating Subsidies Under the Operating Fund Formula’’ ((RIN2577–AB88) (FR–4425–I–12)) received on March 30, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1302. A communication from the General Counsel of the National Tropical Botanical Garden, transmitting, pursuant to law, a report concerning the financial statements and schedules for 1999 and 2000; to the Committee on the Judiciary.

EC–1303. A communication from the President of the Foundation of the Federal Bar Association, transmitting, pursuant to law, a report on the financial statements for 1999 and 2000; to the Committee on the Judiciary.

EC–1304. A communication from the Executive Secretary of the Office of Human Research Protection, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ‘‘Protection of Human Subjects; Delay of Effective Date’’ (RIN0925–AA14) received on March 29, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1305. A communication from the Executive Secretary of the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ‘‘Opioid Drugs in Maintenance and Detoxification Treatment of Opiate Addiction’’ (RIN0910–AA52) received on March 29, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1306. A communication from the Director of Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ‘‘Medical Device; Exemption From Premarket Notification; Class II Devices; Pharmacy Compounding Systems’’ (Doc. No. 00P–1554) received on March 29, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1307. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC–1308. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC–1309. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC–1310. A communication from the Assistant Secretary of Defense, Force Management Policy, transmitting, pursuant to law, a report on the appropriated funds for recruiting functions; to the Committee on Armed Services.

EC–1311. A communication from the Executive Secretary to the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ‘‘Medicare Program; Use of Restraint and Seclusion in Residential Treatment Facilities Providing Inpatient Psychiatric Services to Individuals Under Age 21: Delay of Effective Date’’ (RIN0938–AJ96) received on March 29, 2001; to the Committee on Finance.

EC–1312. A communication from the Executive Secretary to the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ‘‘Medicare and Medicaid Programs; Hospital Conditions of Participation; Anesthesia Services: Delay of Effective Date’’ (RIN0938–AK08) received on March 29, 2001; to the Committee on Finance.

EC–1313. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ‘‘BLS–LIFO Department Store Indexes—February 2001’’ (Rev. Rul. 2001–18) received on March 29, 2001; to the Committee on Finance.

EC–1314. A communication from the Chief of the Regulations Unit, Internal Revenue

Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Announcement and Report Concerning Advance Pricing Agreements'' received on March 29, 2001; to the Committee on Finance.

EC–1315. A communication from the Acting Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Final Designation of Critical Habitat for the Arkansas River Basin Population of the Arkansas River Shiner'' (RIN1018–AG12) received on March 29, 2001; to the Committee on Environment and Public Works.

EC–1316. A communication from the Acting Vice President of Communications, Tennessee Valley Authority, transmitting, pursuant to law, a report on statistical studies for Fiscal Year 2000; to the Committee on Environment and Public Works.

EC–1317. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, a report concerning the emergency funding for the State of Michigan; to the Committee on Environment and Public Works.

EC–1318. A communication from the Senior Trial Attorney, Office of the Secretary, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Extension of Computer Reservations Systems Regulations'' (RIN2105–AD00) received on March 29, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1319. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, a report concerning the alternative power sources for flight data recorders and cockpit voice recorders; to the Committee on Commerce, Science, and Transportation.

EC–1320. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Inseason Adjustment (opens B season pollock fishery in Statistical Area 610, Gulf of Alaska, for 12 hours)'' received on March 29, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1321. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Modification of a Closure (opens pollock fishery in the West Yakutat District, Gulf of Alaska)'' received on March 29, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1322. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Closes Pacific Cod Fishing by Vessels 60 ft. Length Overall and Greater Using Pot Gear in the Bering Sea and Aleutian Islands Area'' received on March 29, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1323. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Closes Pacific Cod Fishing by Catcher Processor Vessels Using Hook-and-Line Gear in the Bering Sea and Aleutian Islands Area'' received on March 29, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1324. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the Annual Report concerning the Commission's Activities for Fiscal Year 2000; to the Committee on Commerce, Science, and Transportation.

EC–1325. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Amendments to an Emergency Interim Rule Implementing 2001 Steller Sea Lion Protection Measures and Harvest Specifications for the Groundfish Fisheries Off Alaska (provides exemption for fixed gear vessels)'' (RIN0648–AO82) received on April 2, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1326. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Final Rule; Adjusting the Seasonal Apportionment of the 2001 Pacific Halibut by Catch Limits for the Trawl and Hook-and-Line Groundfish Fisheries of the Gulf of Alaska'' received on April 2, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1327. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled ''Fisheries Off West Coast States and in the Western Pacific; Coastal Pelagic Species Fisheries; Closure of Fishery for Pacific Mackerel'' received on April 2, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1328. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Vessels 60 feet Length Overall and Longer Using Hook-and-Line Gear in the Bering Sea and Aleutian Islands'' received on April 2, 2001; to the Committee on Commerce, Science, and Transportation.

EC–1329. A communication from the Secretary of State, transmitting, pursuant to law, the Annual Program Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1330. A communication from the Secretary of the Department of Housing and Urban Development, transmitting, pursuant to law, a report relating to the Government National Mortgage Association for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1331. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the Annual Program Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1332. A communication from the Acting Administrator of the Agency for International Development, transmitting, pursuant to law, the Accountability Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1333. A communication from the Secretary of Veterans Affairs, transmitting, pursuant to law, the Annual Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1334. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the Annual Program Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1335. A communication from the Acting Chief Executive Officer of the Corporation for National Service, transmitting, pursuant to law, the Annual Program Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1336. A communication from the Acting Assistant Secretary of Policy, Management and Budget, and Chief Financial Officer of the Department of the Interior, transmitting, pursuant to law, the Annual Accountability Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1337. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting, pursuant to law, the Annual Accountability Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1338. A communication from the President of the African Development Foundation, transmitting, pursuant to law, the Annual Report concerning the Foundation's Financial Statements, Internal Controls, and Compliance for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1339. A communication from the Secretary of Labor and Chairman of the Board, and the Acting Executive Director of the Pension Benefit Guaranty Corporation, transmitting jointly, pursuant to law, the Program Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1340. A communication from the Executive Director of the District of Columbia Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report concerning the Financial Responsibility and Management Assistance for Fiscal Year 2000; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 27: A resolution to express the sense of the Senate regarding the 1944 deportation of the Chechen people to central Asia, and for other purposes.

S. Res. 60: A resolution urging the immediate release of Kosovar Albanians wrongfully imprisoned in Serbia, and for other purposes.

S. Con. Res. 23: A concurrent resolution expressing the sense of Congress with respect to the involvement of the Government in Libya in the terrorist bombing of Pan Am Flight 103, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. HELMS for the Committee on Foreign Relations.

William Howard Taft, IV, of Virginia, to be Legal Adviser of the Department of State.

(The above nomination was reported with the 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.)

Mr. HELMS. Mr. President, for the Committee on Foreign Relations, I report favorably in the Foreign Service the 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 these nomination lie at the Secretary's desk for the information of Senators.

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

Foreign Service nominations beginning E. Cecile Adams and ending William G. L. Gaskill, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 13, 2001.

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. BOND:

S. 678. A bill to amend the Federal Water Pollution Control Act to establish a program for fisheries habitat protection, restoration, and enhancement, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CLELAND:

S. 679. A bill to establish the Arabia Mountain National Heritage Area in the State of Georgia, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HUTCHINSON:

S. 680. A bill to amend the Housing and Community Development Act of 1974 to authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRAPO (for himself, Mr. BAUCUS, Mr. CRAIG, Mr. INHOFE, Mr. MURKOWSKI, Mr. BENNETT, Mr. ENZI, Mr. STEVENS, and Mr. BURNS):

S. 681. A bill to help ensure general aviation aircraft access to Federal land and to the airspace over that land; to the Committee on Energy and Natural Resources.

By Mr. McCAIN (for himself, Mr. DODD, Mr. JOHNSON, Mr. WARNER, Mr. DEWINE, Ms. LANDRIEU, Mr. EDWARDS, Mr. BREAUX, Mr. HELMS, Mrs. MURRAY, Mr. REID, Mr. SARBANES, Mr. WELLSTONE, Mr. HOLLINGS, Mr. ROBERTS, Mr. HAGEL, Mr. SMITH of Oregon, Mr. COCHRAN, Mr. REED, Ms. MIKULSKI, Mr. SCHUMER, Mr. THURMOND, Ms. SNOWE, Mrs. LINCOLN, Mr. FITZGERALD, Mr. SHELBY, Mr. CLELAND, Mr. BROWNBACK, and Ms. COLLINS):

S. 682. A bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test; to the Committee on Finance.

By Mr. SANTORUM (for himself, Mr. TORRICELLI, and Mr. SMITH of New Hampshire):

S. 683. A bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance, and to establish State health insurance safety-net programs; to the Committee on Finance.

By Mr. HARKIN (for himself, Mr. AKAKA, Mrs. BOXER, Mr. DURBIN, Mr. INOUYE, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Ms. STABENOW, Mr. TORRICELLI, Mr. WELLSTONE, and Mr. FEINGOLD):

S. 684. A bill to amend the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on account of sex, race, or national origin, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BAYH (for himself, Ms. SNOWE, Mr. GRAHAM, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. LANDRIEU, Mr. KOHL, Mr. JOHNSON, Mr. BREAUX, Mr. ROCKEFELLER, Mrs. CLINTON, and Mr. CARPER):

S. 685. A bill to amend title IV of the Social Security Act to strengthen working families, and for other purposes; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 149

At the request of Mr. ENZI, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 149, a bill to provide authority to control exports, and for other purposes.

S. 311

At the request of Mr. DOMENICI, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 311, a bill to amend the Elementary and Secondary Education Act of 1965 to provide for partnerships in character education.

S. 318

At the request of Mr. DASCHLE, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 318, a bill to prohibit discrimination on the basis of genetic information with respect to health insurance.

S. 321

At the request of Mr. GRASSLEY, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 321, a bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

S. 361

At the request of Mr. MURKOWSKI, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 361, a bill to establish age limitations for airmen.

S. 409

At the request of Mrs. HUTCHISON, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 409, a bill to amend title 38, United States Code, to clarify the standards for compensation for Persian Gulf veterans suffering from certain undiagnosed illnesses, and for other purposes.

S. 414

At the request of Mr. CLELAND, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 414, a bill to amend the National Telecommunications and Information Administration Organization Act to establish a digital network technology program, and for other purposes.

S. 448

At the request of Mr. DOMENICI, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 448, a bill to provide permanent appropriations to the Radiation Exposure Compensation Trust Fund to make payments under the Radiation Exposure Compensation Act (42 U.S.C. 2210 note).

S. 449

At the request of Mr. DOMENICI, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 449, a bill to ensure the timely payment of benefits to eligible persons under the Radiation Exposure Compensation Act (42 U.S.C. 2210).

S. 466

At the request of Mr. HAGEL, the names of the Senator from New Jersey (Mr. CORZINE) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 466, a bill to amend the Individuals with Disabilities Education Act to fully fund 40 percent of the average per pupil expenditure for programs under part B of such Act.

S. 472

At the request of Mr. DOMENICI, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 472, a bill to ensure that nuclear energy continues to contribute to the supply of electricity in the United States.

S. 500

At the request of Mr. BURNS, the names of the Senator from Wyoming (Mr. THOMAS), the Senator from New Mexico (Mr. BINGAMAN), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 500, a bill to amend the Communications Act of 1934 in order to require the Federal Communications Commission to fulfill the sufficient universal service support requirements for high cost areas, and for other purposes.

S. 534

At the request of Mr. CAMPBELL, the names of the Senator from Virginia (Mr. ALLEN) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 534, a bill to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as ''mad cow disease'') and foot-and-mouth disease in the United States.

S. 543

At the request of Mr. WELLSTONE, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 543, a bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 567

At the request of Mr. SESSIONS, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 567, a bill to amend the Internal Revenue Code of 1986 to provide capital gain treatment under section 631(b) of such Code for outright sales of timber by landowners.

S. 581

At the request of Mr. FITZGERALD, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 581, a bill to amend title 10, United States Code, to authorize Army arsenals to undertake to fulfill orders or contracts for articles or services in advance of the receipt of payment under certain circumstances.

S. 587

At the request of Mr. CONRAD, the names of the Senator from Georgia (Mr. MILLER) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 587, a bill to amend the Public Health Service Act and title XVIII of the Social Security Act to sustain access to vital emergency medical services in rural areas.

S. 612

At the request of Mr. FEINGOLD, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 612, a bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to develop and implement an annual plan for outreach regarding veterans benefits, and for other purposes.

S. 627

At the request of Mr. GRASSLEY, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 627, 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.

S. 643

At the request of Mr. BAUCUS, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 643, a bill to implement the agreement establishing a United States-Jordan free trade area.

S. 677

At the request of Mr. BREAUX, the names of the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Georgia (Mr. MILLER) were added as cosponsors of S. 677, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. CON. RES. 3

At the request of Mr. FEINGOLD, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. Con. Res. 3, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

S. CON. RES. 8

At the request of Mr. CORZINE, his name was withdrawn as a cosponsor of S. Con. Res. 8, a concurrent resolution expressing the sense of Congress regarding subsidized Canadian lumber exports.

S. RES. 55

At the request of Mr. WELLSTONE, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Georgia (Mr. MILLER), the Senator from Wisconsin (Mr. FEINGOLD), and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. Res. 55, a resolution designating the third week of April as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 an all future years.

S. RES. 63

At the request of Mr. CAMPBELL, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. Res. 63, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

S. RES. 65

At the request of Mr. KENNEDY, his name was added as a cosponsor of S. Res. 65, a resolution honoring Neil L. Rudenstine, President of Harvard University.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOND:

S. 678. A bill to amend the Federal Water Pollution Control Act to establish a program for fisheries habitat protection, restoration, and enhancement, and for other purposes; to the Committee on Environment and Public Works.

Mr. BOND. Mr. President, I rise today to introduce the Fishable Waters Act with my colleague from Arkansas, Senator LINCOLN. I ask unanimous consent that Senator LINCOLN be listed as a cosponsor. This is consensus legislation from a uniquely diverse spectrum of interests to establish a comprehensive, voluntary, incentive-based, locally-led program to improve and restore our fisheries.

Put simply, this legislation enables local stakeholders to get together to design water quality projects in their own areas that will be eligible for some $350 million in federal assistance to implement for the benefit of our fisheries and water quality. It does not change any existing provisions, regulatory or otherwise, of the Clean Water Act.

The Fishable Waters Act complements existing clean water programs that are designed to encourage, rather than coerce the participation of landowners. This legislation will work because it will empower people at the local level who have a stake in its success and who will have hands-on involvement in its implementation.

It is supported by members of the Fishable Waters Coalition which includes the American Sportfishing Association, Trout Unlimited, the Izaak Walton League of America, the National Corn Growers Association, the National Council of Farmer Cooperatives, the Bass Anglers Sportsman Society, the American Fisheries Society, the International Association of Fish and Wildlife Agencies, and the Pacific Rivers Council. These groups have labored quietly but with great determination for several years to produce this consensus proposal to build on the success of the Clean Water Act.

As my colleagues understand, it is at great peril that anyone in this town undertakes to address clean water-related issues but the need is too great and this approach too practical to not embrace it, introduce it, and work to achieve the wide-spread support it merits.

A companion bill, H.R. 325, has been introduced by Congressman JOHN TANNER in the House. That bipartisan measure is cosponsored by Representatives ABERCROMBIE, BLUNT, BOEHLERT, ALLEN, CLEMENT, NATHAN, DINGELL, ENGLISH, CHRISTOPHER, JOHNSON, LEACH, PALLONE, SAXTON, STENHOLM, and WHITFIELD.

Joining us last year for the kickoff were representatives of the Fishable Waters Coalition and a special guest, a fishing enthusiast who some may know otherwise as a top-ranked U.S. golfer, David Duval. ''Why am I here? I like to fish. I've done it as long as I can remember,'' Duval said. ''I want my kids to be able to have healthy habitats for fish. I want my grandkids and my great-grandkids to be able to do what I enjoy so much, and I think this could make a big difference.''

This bipartisan and consensus legislation is intended to capture opportunities to build on the success of the Clean Water Act. It enables local stakeholders to get together with farmers who own 70 percent of our nation's land to design local water quality projects that will be eligible for some $350 million in federal assistance for the benefit of our fisheries and water quality.

Instead of Washington saying, ''you do this and you pay for it'' and instead of Washington saying, ''you do this but we'll help you pay for it'', this legislation lets local citizens design projects that can be eligible for federal assistance. For farmers, the idea of protecting land for future generations is not an abstract notion because the farmers in my State know that good stewardship is good for them and their families. Their challenge is that while they feed this nation and provide some $50 billion in exports, they do not have the ability to pass additional costs onto consumers like corporations do. For the 2 million people who farm to provide environmental benefits for themselves and the rest of the nation's 270 million people, they need partners because they cannot afford to do it by themselves. This legislation recognizes that reality.

While one can expect a great deal of controversy surrounding any comprehensive Clean Water effort, the consensus that has built around this approach is cause for great optimism that this legislation will be the vehicle to make significant additional progress in improving water quality.

I am pleased to continue work on the Fishable Waters Act with the broad coalition to move the legislation forward to passage and I thank my colleagues Senator LINCOLN and Congressman TANNER. This new generation approach empowers people at the local level who have the greatest understanding and the most at stake in the success of environmental protection. I will be working with new members of the Bush Administration aggressively because I believe that this is philosophically consistent with their modern approach to environmental protection.

I congratulate members of the Coalition for producing and supporting this consensus legislation and I look forward to working with Senator LINCOLN and my other Senate colleagues to move this legislation forward.

I ask unanimous consent to print the text of a one-page summary of the bill in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FISHABLE WATERS ACT BILL SUMMARY IN BRIEF

PURPOSE

This legislation begins with the premise the while great progress has been made in improving water quality under the Clean Water Act, more opportunities remain. The particular emphasis on this legislation is on opportunities to address fisheries habitat and water quality needs.

The findings include that it shall be the policy of the United States to protect, restore, and enhance fisheries habitat and related uses through voluntary watershed planning at the state and local level that leads to sound fisheries conservation on an overall watershed basis.

To carry out this objective, a new section is added to the Clean Water Act.

PROGRAM

The legislation authorizes the establishment of voluntary and local Watershed Councils to consider the best available science to plan and implement a program to protect and restore fisheries habitat with the consent of affected landowners.

Each comprehensive plan must consider the following elements: characterization of the watershed in terms of fisheries habitat; objectives both near- and long-term; ongoing factors affecting habitat and access; specific projects that need to be undertaken to improve fisheries habitat; and any necessary incentives, financial or otherwise, to facilitate implementation of best management practices to better deal with non-point source pollution including sediments impairing waterways.

Projects and measures that can be implemented or strengthened with the consent of affected landowners to improve fisheries habitat including stream side vegetation, instream modifications and structures, modifications to flood control measures and structures that would improve the connection of rivers to low-lying backwaters, oxbows, and tributary mouths.

With the consent of affected landowners, those projects, initiatives, and restoration measures identified in the approved plan become eligible for funding through a Fisheries Habitat Account.

Funds from the Fisheries Habitat Account may be used to provide up to 15 percent for the non-federal matching requirement under including the following conservation programs:-The Wetlands Reserve Program; The Environmental Quality Incentives Program; The National Estuary Program; The Emergency Conservation Program; The Farmland Protection Program; The Conservation Reserve Program; The Wildlife Habitat Incentives Program; The North American Wetlands Conservation Program; The Federal Aid in Sportfish Restoration Program; The Flood Hazard Mitigation and Riverine Ecosystem Restoration Program; The Environmental Management Program; and The Missouri and Middle Mississippi Enhancement Project.

The Secretary of the Interior is authorized to develop an urban waters revitalization program ($25m/yr) to improve fisheries and related recreational activities in urban waters with priority given to funding projects located in and benefitting low-income or economically depressed areas

$250 million is authorized annually through Agriculture for the planning and implementation of projects contained in approved plans.

States with approved programs may, if they choose, transfer up to 20 percent of the funds provided to each state through the Clean Water Act's $200 million Section 319 non-point source program to implement planned projects.

Up to $25 million is authorized annually through Interior for measures to restrict livestock access to streams and provide alternative watering opportunities and $50 million is authorized annually to provide, with the cooperation of landowners, minimum instream flows and water quantities.

Mrs. LINCOLN. Mr. President, I rise today to join my neighbor and colleague from Missouri, KIT BOND, in introducing the Fishable Waters Act. This bill is aimed at restoring and maintaining clean water in our Nation's rivers, lakes, and streams. This bill will provide much needed funding for programs with a proven track record of conserving land, cleaning up the environment, and promoting clean and fishable waters. This legislation takes the right approach to reducing non-point source pollution. It's voluntary. Its incentive-based. And it encourages public-private partnerships.

Our State Motto, ''The Natural State,'' reflects our dedication to preserving the unique natural landscape that we cherish in Arkansas. We have towering mountains, rolling foothills, an expansive Delta, countless pristine rivers and lakes, and a multitude of timber varieties across our state. From expansive evergreen forests in the South, to the nation's largest bottomland hardwood forest in the East, as well as one of this nation's largest remaining hardwood forests across the Northern one-half of the state, Arkansas has one of the most diverse ecosystems in the Untied States. Most streams and rivers in Arkansas originate or run through our timberlands and are sources for water supplies, prime recreation, and countless other sues. We also have numerous outdoor recreational opportunities and it is vital that we take steps to protect the environment.

This bill utilizes current programs within the U.S. Department of Agriculture that have a proven track record of reducing non-point sources of pollution and promoting clean and fishable waters through voluntary conservation measures. Existing USDA programs like the Wetlands Reserve Program, the Environmental Quality Incentives Program, Conservation Reserve Program, and Wildlife Habitat Incentives Program, assist farmers in taking steps towards preserving a quality environment.

CRP and WRP are so popular with farmers that they will likely reach their authorized enrollment cap by the end of 2001. Farmers wouldn't flock to these programs unless there was an inherent desire to ensure that they conserved and preserved our Nation's water resources.

Arkansas ranks second in the number of enrolled acres in USDA's Wetlands Reserve Program because our farmers have recognized the vital role that wetlands play in preserving a sound ecology and efficient production.

WRP is so popular in AR that we have over 200 currently pending applications that we cannot fill because of lack of funding. That's over 200 farmers that want to voluntarily conserve wetland areas around rivers, lakes, and streams. We need to fill that void in funding for these beneficial programs. This bill will help farmers in Arkansas and across the nation to voluntarily conserve sensitive land areas and provide buffer strips for runoff areas.

Farmers makes their living from the soil and water. They have a vested interest in ensuring that these resources are protected. I don't believe that our nation's farmer shave been given enough credit for their dedicated efforts to preserve a sound environment for future generations.

As many of you know, farming has a special place in my heart because I was raised on a seventh generation farm family. I know first hand that farmers want to protect the viability of their land so they can pass it on to the next generation. This bill is about more than agriculture through. It strikes the right balance between our agricultural industry and another pastime that I feel very strongly about, hunting and fishing.

Over the years many people have been surprised when they learn that I am an avid outdoorsman. I grew up in the South where hunting and fishing are not just hobbies, they're a way of life. My father never differentiated between taking his son or daughters hunting or fishing, it was just assumed that we would all take part. For this, I will be forever grateful because I truly enjoy the outdoors, and the time I spent hunting and fishing is a big part of who I am today. We are blessed in

Arkansas to have such bountiful outdoor opportunities. For these opportunities to continue to exist we must take steps to ensure that our nation's waters are protected. Trout in Arkansas' Little Red River and mallards in the riverbottoms of the Mississippi Delta both share a common need of clean water. And that is what we are ultimately striving for with this legislation: an effective, voluntary, incentive based plan to provide funding for programs that promote clean water.

I want to again stress the importance of voluntary programs.

We cannot expect to have success by using a heavy-handed, top-down approach to regulate our farmers, ranchers, and foresters into environmental compliance. Trying to force people into a permitting program to reduce the potential for non-point runoff may actually discourage responsible environmental practices.

I agree with the EPA's objective of cleaning up our nation's impaired rivers, lakes, and streams, but firmly believe that a permitting program is not the best solution to the problem of maintaining clean water. Placing another unnecessary layer of regulation upon our nation's local foresters will only slow down the process of responsible farming and forestry and implementation of voluntary Best Management Practices.

This legislation takes the right approach to clean and fishable waters. It's voluntary. It's incentive-based. And it encourages public-private partnerships to clean up our Nation's rivers, lakes, and streams.

I encourage my colleagues to join us in the fight for clean and fishable waters.

By Mr. CLELAND:

S. 679. A bill to establish the Arabia Mountain National Heritage Area in the State of Georgia, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. CLELAND. Mr. President, today I am introducing legislation to establish the Arabia Mountain National heritage Area in the State of Georgia. The significance of this area and the need to act now is underscored by Metro Atlanta's unprecedented rate of growth. In fact, it has been said that Atlanta is the fastest growing city in civilization.

The area surrounding Arabia Mountain is located only 20 minutes east of Atlanta, near my home town of Lithonia. I speak from personal experience when I say that this area has seen the effects of Metro Atlanta's unbridled expansion, particularly in the past decade. As a result, vital open spaces and farmlands have all but disappeared.

I believe it is essential to preserve what remains of significant natural, cultural, and historic resources in this region. The terrain surrounding Arabia Mountain contains a diverse ecosystem consisting of rare plant species, wetlands, pine and oak forests, streams and a lake. Additionally, this area is home to many historic sites, structure, and cultural landscapes, including the last remaining farm in DeKalb County. On a personal note, I can remember when this town was known as the dairy belt of Georgia. Now, we are down to a single working farm.

My legislation reflects what has been a real grass roots effort to preserve this vital landscape. Over the past several years, local citizens have been working in conjunction with city, county, and State officials to move forward with plans to preserve these resources. In fact, this project has already benefited from significant private contributions of land, money, and professional services which have enabled the Arabia Mountain Heritage Area Alliance to produce a detailed feasibility study which was released on February 28, 2001. However, local efforts to protect and preserve the resources of the area will not fully materialize without the technical assistance of Federal agencies.

Under my bill, the National Park Service, NPS, will be authorized to provide essential technical support in order to develop and implement a plan to manage the natural, cultural, historical, scenic, and recreational resources of the heritage area. Taking into account the diverse interests of the governmental, business, and nonprofit groups within the area, the management plan will assist the local governments in adopting land use policies which maximize the many resources of the region.

I have personally visited this area, and I must reiterate my strong interest in this important preservation effort. I ask unanimous consent that the text of the bill be printed in the RECORD, and urge my colleagues to join me in enacting this legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 679

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 ''Arabia Mountain National Heritage Area Act of 2001''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Arabia Mountain area contains a variety of natural, cultural, historical, scenic, and recreational resources that together represent distinctive aspects of the heritage of the United States that are worthy of recognition, conservation, interpretation, and continuing use;

(2) the best methods for managing the resources of the Arabia Mountain area would be through partnerships between public and private entities that combine diverse resources and active communities;

(3) Davidson-Arabia Mountain Nature Preserve, a 535-acre park in DeKalb County, Georgia—

(A) protects granite outcrop ecosystems, wetland, and pine and oak forests; and

(B) includes federally-protected plant species;

(4) Panola Mountain, a national natural landmark, located in the 860-acre Panola Mountain State Conservation Park, is a rare example of a pristine granite outcrop;

(5) the archeological site at Miners Creek Preserve along the South River contains documented evidence of early human activity;

(6) the city of Lithonia, Georgia, and related sites of Arabia Mountain and Stone Mountain possess sites that display the history of granite mining as an industry and culture in Georgia, and the impact of that industry on the United States;

(7) the community of Klondike is eligible for designation as a National Historic District; and

(8) the city of Lithonia has 2 structures listed on the National Register of Historic Places.

(b) PURPOSES.—The purposes of this Act are—

(1) to recognize, preserve, promote, interpret, and make available for the benefit of the public the natural, cultural, historical, scenic, and recreational resources in the area that includes Arabia Mountain, Panola Mountain, Miners Creek, and other significant sites and communities; and

(2) to assist the State of Georgia and the counties of DeKalb, Rockdale, and Henry in the State in developing and implementing an integrated cultural, historical, and land resource management program to protect, enhance, and interpret the significant resources within the heritage area.

SEC. 3. DEFINITIONS.

In this Act:

(1) HERITAGE AREA.—The term ''heritage area'' means the Arabia Mountain National Heritage Area established by section 4.

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the Arabia Mountain Heritage Area Alliance or a successor of the Arabia Mountain Heritage Area Alliance.

(3) MANAGEMENT PLAN.—The term ''management plan'' means the management plan for the heritage area developed under section 6.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(5) STATE.—The term ''State'' means the State of Georgia.

SEC. 4. ARABIA MOUNTAIN NATIONAL HERITAGE AREA.

(a) ESTABLISHMENT.—There is established the Arabia Mountain National Heritage Area in the State.

(b) BOUNDARIES.—The heritage area shall consist of certain parcels of land in the counties of DeKalb, Rockdale, and Henry in the State, as generally depicted on the map entitled ''The Preferred Concept'' contained in the document entitled ''Arabia Mountain National Heritage Area Feasibility Study'', dated February 28, 2001.

(c) AVAILABILITY OF MAP.—The map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(d) MANAGEMENT ENTITY.—The Arabia Mountain Heritage Area Alliance shall be the management entity for the heritage area.

SEC. 5. AUTHORITIES AND DUTIES OF THE MANAGEMENT ENTITY.

(a) AUTHORITIES.—For purposes of developing and implementing the management plan, the management entity may—

(1) make grants to, and enter into cooperative agreements with, the State, political subdivisions of the State, and private organizations;

(2) hire and compensate staff; and

(3) enter into contracts for goods and services.

(b) DUTIES.—

(1) MANAGEMENT PLAN.—

(A) IN GENERAL.—The management entity shall develop and submit to the Secretary the management plan.

(B) CONSIDERATIONS.—In developing and implementing the management plan, the management entity shall consider the interests of diverse governmental, business, and nonprofit groups within the heritage area.

(2) PRIORITIES.—The management entity shall give priority to implementing actions described in the management plan, including—

(A) assisting units of government and nonprofit organizations in preserving resources within the heritage area; and

(B) encouraging local governments to adopt land use policies consistent with the management of the heritage area and the goals of the management plan.

(3) PUBLIC MEETINGS.—The management entity shall conduct public meetings at least quarterly on the implementation of the management plan.

(4) ANNUAL REPORT.—For any year in which Federal funds have been made available under this Act, the management entity shall submit to the Secretary an annual report that describes—

(A) the accomplishments of the management entity; and

(B) the expenses and income of the management entity.

(5) AUDIT.—The management entity shall—

(A) make available to the Secretary for audit all records relating to the expenditure of Federal funds and any matching funds; and

(B) require, with respect to all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available to the Secretary for audit all records concerning the expenditure of those funds.

(c) USE OF FEDERAL FUNDS.—

(1) IN GENERAL.—The management entity shall not use Federal funds made available under this Act to acquire real property or an interest in real property.

(2) OTHER SOURCES.—Nothing in this Act precludes the management entity from using Federal funds made available under other Federal laws for any purpose for which the funds are authorized to be used.

SEC. 6. MANAGEMENT PLAN.

(a) IN GENERAL.—The management entity shall develop a management plan for the heritage area that incorporates an integrated and cooperative approach to protect, interpret, and enhance the natural, cultural, historical, scenic, and recreational resources of the heritage area.

(b) BASIS.—The management plan shall be based on the preferred concept in the document entitled ''Arabia Mountain National Heritage Area Feasibility Study'', dated February 28, 2001.

(c) CONSIDERATION OF OTHER PLANS AND ACTIONS.—The management plan shall—

(1) take into consideration State and local plans; and

(2) involve residents, public agencies, and private organizations in the heritage area.

(d) REQUIREMENTS.—The management plan shall include—

(1) an inventory of the resources in the heritage area, including—

(A) a list of property in the heritage area that—

(i) relates to the purposes of the heritage area; and

(ii) should be preserved, restored, managed, or maintained because of the significance of the property; and

(B) an assessment of cultural landscapes within the heritage area;

(2) provisions for the protection, interpretation, and enjoyment of the resources of the heritage area consistent with the purposes of this Act;

(3) an interpretation plan for the heritage area;

(4) a program for implementation of the management plan that includes—

(A) actions to be carried out by units of government, private organizations, and public-private partnerships to protect the resources of the heritage area; and

(B) the identification of existing and potential sources of funding for implementing the plan; and

(5) a description and evaluation of the management entity, including the membership and organizational structure of the management entity.

(e) SUBMISSION TO SECRETARY FOR APPROVAL.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the management entity shall submit the management plan to the Secretary for approval.

(2) EFFECT OF FAILURE TO SUBMIT.—If a management plan is not submitted to the Secretary by the date specified in paragraph (1), the Secretary shall not provide any additional funding under this Act until such date as a management plan for the heritage area is submitted to the Secretary.

(f) APPROVAL AND DISAPPROVAL OF MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 90 days after receiving the management plan submitted under subsection (e), the Secretary, in consultation with the State, shall approve or disapprove the management plan.

(2) ACTION FOLLOWING DISAPPROVAL.—

(A) REVISION.—If the Secretary disapproves a management plan submitted under paragraph (1), the Secretary shall—

(i) advise the management entity in writing of the reasons for the disapproval;

(ii) make recommendations for revisions to the management plan; and

(iii) allow the management entity to submit to the Secretary revisions to the management plan.

(B) DEADLINE FOR APPROVAL OF REVISION.—Not later than 90 days after the date on which a revision is submitted under subparagraph (A)(iii), the Secretary shall approve or disapprove the revision.

(g) REVISION OF MANAGEMENT PLAN.—

(1) IN GENERAL.—After approval by the Secretary of a management plan, the management entity shall periodically—

(A) review the management plan; and

(B) submit to the Secretary, for review and approval by the Secretary, the recommendations of the management entity for any revisions to the management plan that the management entity considers to be appropriate.

(2) EXPENDITURE OF FUNDS.—No funds made available under this Act shall be used to implement any revision proposed by the management entity under paragraph (1)(B) until the Secretary approves the revision.

SEC. 7. TECHNICAL AND FINANCIAL ASSISTANCE.

(a) IN GENERAL.—At the request of the management entity, the Secretary may provide technical and financial assistance to the heritage area to develop and implement the management plan.

(b) PRIORITY.—In providing assistance under subsection (a), the Secretary shall give priority to actions that facilitate—

(1) the conservation of the significant natural, cultural, historical, scenic, and recreational resources that support the purposes of the heritage area; and

(2) the provision of educational, interpretive, and recreational opportunities that are consistent with the resources and associated values of the heritage area.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.— There is authorized to be appropriated to carry out this Act $10,000,000, to remain available until expended, of which not more than $1,000,000 may be used in any fiscal year; and

(b) FEDERAL SHARE.—The Federal share of the cost of any project or activity carried out using funds made available under this Act shall not exceed 50 percent.

SEC. 9. TERMINATION OF AUTHORITY.

The authority of the Secretary to make any grant or provide any assistance under this Act terminates on September 30, 2016.

By Mr. HUTCHINSON:

S. 680. A bill to amend the Housing and Community Development Act of 1974 to authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks; to the Committee on Banking, Housing, and Urban Affairs.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that a copy of the Tornado Shelters Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 680

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 ''Tornado Shelters Act''.

SEC. 2. CDBG ELIGIBLE ACTIVITIES.

(a) IN GENERAL.—Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) in paragraph (22), by striking ''and'' at the end;

(2) in paragraph (23), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (23) the following:

''(24) the construction or improvement of tornado- or storm-safe shelters for manufactured housing parks and residents of other manufactured housing, the acquisition of real property for sites for such shelters, and the provision of assistance (including loans and grants) to nonprofit or for-profit entities (including owners of such parks) for such construction, improvement, or acquisition, except that a shelter assisted with amounts made available pursuant to this paragraph—

''(A) shall be located in a neighborhood consisting predominantly of persons of low- and moderate-income; and

''(B) may not be made available exclusively for use of the residents of a particular manufactured housing park or of other manufactured housing, but shall generally serve the residents of the area in which it is located; and''.

(b) AUTHORIZATION OF APPROPRIATIONS.—In addition to any amounts otherwise made available for grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), there is authorized to be appropriated for assistance only for activities pursuant to section 105(a)(24) of that Act, $50,000,000 for fiscal year 2002.

SEC. 3. USE OF AMERICAN PRODUCTS.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available for the activities authorized under the amendments made by this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available for the activities authorized under the amendments made by this Act, the Secretary of Housing and Urban Development, to the greatest extent practicable, shall provide to that entity a notice describing the statement made in subsection (a) by the Congress.

By Mr. CRAPO (for himself, Mr. BAUCUS, Mr. CRAIG, Mr. INHOFE, Mr. MURKOWSKI, Mr. BENNETT, Mr. ENZI, Mr. STEVENS, and Mr. BURNS):

S. 681. A bill to help ensure general aviation aircraft access to Federal land and to the airspace over that land; to the Committee on Energy and Natural Resources.

Mr. CRAPO. Mr. President, I am pleased to introduce today the Backcountry Landing Strip Access Act of 2001. Last year, Senators CRAIG and BURNS, and I introduced similar legislation. Although the legislation did not pass, we were able to successfully attach a modified one-year version of our bill to the Interior Appropriations Conference Report for FY 2001, prohibiting federal funds from being used to close any airstrips on lands administered by the Department of the Interior. The legislation I introduce today represents a comprehensive, long-term solution to the problem of backcountry airstrips being temporarily or permanently closed. This bill will preserve our nation's backcountry airstrips and require a public review and comment period before closure of these airstrips.

Idaho is home to more than fifty backcountry airstrips and the state is known nationwide for its air access to wilderness and primitive areas. Unfortunately, many backcountry airstrips have been closed or rendered unserviceable through neglect by federal agencies responsible for land management. These closures occur without providing the public with a justification for such action or an opportunity to comment on them.

Our bill would address this situation by preventing the Secretary of Interior and the Secretary of Agriculture from permanently closing airstrips without first consulting with state aviation agencies and users. The legislation would also require that proposed closures would be published in the Federal Register with a ninety-day public comment period. The bill directs the Secretary of Interior and the Secretary of Agriculture, after consultation with the FAA, to adopt a nationwide policy governing backcountry aviation. I would like to mention that Congressmen C.L. ''BUTCH'' OTTER and JIM HANSEN are also promoting backcountry aviation access in the other body.

This bill and its House companion include a finding of fact that acknowledges the role of backcountry airstrips in supporting aerial firefighters. This finding was not included in the versions introduced last year but it pays tribute to those who joined in last summer's firefighting and disaster relief efforts.

For aerial firefighters backcountry airstrips are analogous to fire engines in a firehouse. In addition, other general aviation craft depend on backcountry strips to provide a safe haven in the case of emergency. Without the airstrips, these pilots would have little chance of survival while attempting an emergency landing. Furthermore, access to the strips ensures a fundamental American service—universal postal delivery. Without access to backcountry airstrips, citizens who live and work in remote areas would not receive their mail.

Pilots often discover that an airstrip has been closed only when they attempt to use it. This represents a grave danger to those who have not been made aware of an airstrip's closure. This bill would ensure that everyone with an interest in backcountry aviation remains informed of a proposed closure and is allowed to comment on it.

This bill is simply about safety and general aviation access. It does not reopen airstrips that have already been closed, nor does it burden federal officials with the responsibility to operate and maintain these sites. In fact, pilots themselves regularly maintain backcountry strips.

The Backcountry Landing Strip Access Act does not harm our forests or our wilderness areas. In fact, backcountry airstrips are regularly used by forest officials to maintain forests and trails, conduct ecological management projects, and produce aerial mapping. Airstrips are located in remote, rugged areas of the west where there are few visitors. Many landing strips have no more than 3–6 takeoffs and landings in a year, and are mainly used for emergency landings.

When the Frank Church Wilderness Act was established in Idaho, it incorporated a provision that existing landing strips cannot be closed permanently or rendered unserviceable without the written consent of the State of Idaho. This bill extends the success of the Frank Church Wilderness Act provision nationwide to preserve airstrips in Idaho as well as other states. In Idaho, we have evolved into a cooperative relationship with federal land managers. I believe the rest of the country can benefit from this philosophy of cooperation.

I urge my colleagues to join with us in our efforts to preserve the remaining backcountry strips.

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. 681

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 ''Backcountry Landing Strip Access Act''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Aircraft landing strips serve an essential safety role as emergency landing areas.

(2) Aircraft landing strips provide access to people who would otherwise be physically unable to enjoy national parks, national forests, and other Federal lands.

(3) Aircraft landing strips serve an essential purpose in search and rescue, forest and ecological management, research, and aerial mapping.

(4) Aircraft landing strips serve an essential role in firefighting and disaster relief.

(5) The Secretary of the Interior and the Secretary of Agriculture should adopt a nationwide policy for governing backcountry aviation issues related to the management of Federal land under the jurisdiction of those Secretaries and should require regional managers to adhere to that policy.

SEC. 3. PROCEDURE FOR CONSIDERATION OF ACTIONS AFFECTING AIRCRAFT LANDING STRIPS.

(a) IN GENERAL.—Neither the Secretary of the Interior nor the Secretary of Agriculture shall take any action which would permanently close or render or declare as unserviceable any aircraft landing strip located on Federal land under the administrative jurisdiction of either Secretary unless—

(1) the head of the aviation department of each State in which the aircraft landing strip is located has approved the action;

(2) notice of the proposed action and the fact that the action would permanently close or render or declare as unserviceable the aircraft landing strip has been published in the Federal Register;

(3) a 90-day public comment period on the action has been provided after the publication under paragraph (2); and

(4) any comments received during the comment period provided under paragraph (3) have been taken into consideration by the Secretary of the Interior or the Secretary of Agriculture, as the case may be, and the head of the aviation department of each State in which the affected aircraft landing strip is located.

(b) NATIONAL POLICY.—Not later than 2 years after the date of the enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall—

(1) adopt a nationwide policy that is in accordance with this Act for governing backcountry aviation issues related to the management of Federal land under the jurisdiction of those Secretaries; and

(2) require regional managers to adhere to that policy.

(c) REQUIREMENTS FOR POLICIES.—A policy affecting air access to an aircraft landing strip located on Federal land under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture, including the policy required by subsection (b), shall not take effect unless the policy—

(1) states that the Federal Aviation Administration has the sole authority to control aviation and airspace over the United States; and

(2) seeks and considers comments from State governments and the public.

(d) MAINTENANCE OF AIRSTRIPS.—

(1) IN GENERAL.—The Secretary of the Interior and the Secretary of Agriculture shall consult with—

(A) the head of the aviation department of each State in which an aircraft landing strip on Federal land under the jurisdiction of that Secretary is located; and

(B) other interested parties,

to ensure that such aircraft landing strips are maintained in a manner that is consistent with the resource values of the adjacent area.

(2) COOPERATIVE AGREEMENTS.—The Secretary of the Interior and the Secretary of Agriculture may enter into cooperative agreements with interested parties for the

maintenance of aircraft landing strips located on Federal land.

(e) EXCHANGES OR ACQUISITIONS.—Closure or purposeful neglect of any aircraft landing strip, or any other action which would render any aircraft landing strip unserviceable, shall not be a condition of any Federal acquisition of or exchange involving private property upon which the aircraft landing strip is located.

(f) NEW AIRCRAFT LANDING STRIPS NOT CREATED.—Nothing in this Act shall be construed to create or authorize additional aircraft landing strips.

(g) PERMANENTLY CLOSE.—For the purposes of this Act, the term ''permanently close'' means any closure the duration of which is more than 180 days in any calendar year.

(h) APPLICABILITY.—

(1) AIRCRAFT LANDING STRIPS.—This Act shall apply only to established aircraft landing strips on Federal lands administered by the Secretary of the Interior or the Secretary of Agriculture that are commonly known and have been or are consistently used for aircraft landing and departure activities.

(2) ACTIONS, POLICIES, EXCHANGES, AND ACQUISITIONS.—Subsections (a), (c), and (e) shall apply to any action, policy, exchange, or acquisition, respectively, that is not final on the date of the enactment of this Act.

(i) FAA AUTHORITY NOT AFFECTED.—Nothing in this Act shall be construed to affect the authority of the Federal Aviation Administration over aviation or airspace.

By Mr. MCCAIN (for himself, Mr. DODD, Mr. JOHNSON, Mr. WARNER, Mr. DEWINE, Ms. LANDRIEU, Mr. EDWARDS, Mr. BREAUX, Mr. HELMS, Mrs. MURRAY, Mr. REID, Mr. SARBANES, Mr. WELLSTONE, Mr. HOLLINGS, Mr. ROBERTS, Mr. HAGEL, Mr. SMITH, of Oregon, Mr. COCHRAN, Mr. REED, Ms. MIKULSKI, Mr. SCHUMER, Mr. THURMOND, Ms. SNOWE, Mrs. LINCOLN, Mr. FITZGERALD, Mr. SHELBY, Mr. CLELAND, Mr. BROWNBACK, and Mrs. COLLINS):

S. 682. A bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test; to the Committee on Finance.

Mr. MCCAIN. Mr. President, I rise today to introduce an important piece of legislation which would have a tremendous impact on the lives of many blind people. This bill restores the 20-year link between blind people and senior citizens in regards to the Social Security earnings limit which has helped many blind people become self-sufficient and productive.

When the Congress passed the Senior Citizens Freedom to Work Act in 1996, we unfortunately broke the long-standing linkage in the treatment of blind people and seniors under Social Security, which resulted in allowing the earnings limit to be raised for seniors only and did not give blind people the same opportunity to increase their earnings without penalizing their Social Security benefits.

My intent when I sponsored the Senior Citizens Freedom to Work Act was not to break the link between blind people and the senior population. In 1996, time constraints and fiscal considerations forced me to focus solely on raising the unfair and burdensome earnings limit for seniors. I am pleased that H.R. 5, the Social Security Earnings Test Elimination bill, finally eliminated this unfair tax on earnings for seniors 65 to 69 years of age. This law is allowing millions of seniors to continue contributing to society as productive workers.

Now we should work together in the spirit of fairness to ensure that this same opportunity is given to the blind population. We should provide blind people the opportunity to be productive and ''make it'' on their own. We should not continue policies which discourage these individuals from working and contributing to society.

The bill I am introducing today is identical to one I sponsored in the last two Congresses. If we do not reinstate the link between the blind and the seniors, blind people will be restricted to earning $14,800 in the year 2002 in order to protect their Social Security benefits.

There are very strong and convincing arguments in favor of reestablishing the link between these two groups and increasing the earnings limit for blind people.

First, the earnings test treatment of our blind and senior populations has historically been identical. Since 1977, blind people and senior citizens have shared the identical earnings exemption threshold under Title II of the Social Security Act.

Now, senior citizens will be given greater opportunity to increase their earnings without losing a portion of their Social Security benefits; the blind, however, will not have the same opportunity.

The Social Security earnings test imposes a work disincentive for blind people. In fact, the earnings test probably provides a greater aggregate disincentive for blind individuals since many blind beneficiaries are of working age, 18–65, and are capable of productive work.

Blindness is often associated with adverse social and economic consequences. It is often tremendously difficult for blind individuals to find sustained employment or any employment at all, but they do want to work. They take great pride in being able to work and becoming productive members of society. By linking the blind with seniors in 1977, Congress provided a great deal of hope and incentive for blind people in this country to enter the work force. Now, we are taking that hope away from them by not allowing them the same opportunity to increase their earnings as senior citizens.

Blind people are likely to respond favorably to an increase in the earnings test by working more, which will increase their tax payments and their purchasing power and allow the blind to make a greater contribution to the general economy. In addition, encouraging the blind to work and allowing them to work more without being penalized would bring additional revenue into the Social Security trust funds as well as the Federal Treasury. In short, restoring the link between blind people and senior citizens for treatment of Social Security benefits would help many blind people become self-sufficient, productive members of society.

I am pleased that this Congress will be focusing on the overall structure of the Social Security system and working together for solutions which would strengthen the system for seniors of today and tomorrow without placing an unfair burden on working Americans. It is absolutely crucial that we include raising the earnings test for blind individuals as a part of any Social Security bill we enact this year.

I urge each of my colleagues to join me in sponsoring this important measure to restore fair and equitable treatment for our blind citizens and to give the blind community increased financial independence. Our nation would be better served if we restore equality for the blind and provide them with the same freedom, opportunities and fairness as our nation's seniors.

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. 682

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 ''Blind Persons Earnings Equity Act of 2001''.

SEC. 2. RESTORATION OF LINK BETWEEN RULES RELATING TO SUBSTANTIAL GAINFUL ACTIVITY FOR BLIND INDIVIDUALS AND RULES RELATING TO EXCESS EARNINGS UNDER THE EARNINGS TEST.

Section 223(d)(4) of the Social Security Act (42 U.S.C. 432(d)(4)) is amended, in the second sentence, by striking '', if section 102 of the Senior Citizens' Right to Work Act of 1996 had not been enacted''.

SEC. 3. EFFECTIVE DATE.

The amendment made by section 2 shall apply to determinations of an ability to engage in substantial gainful activity made on or after the date of enactment of this Act.

By Mr. SANTORUM (for himself, Mr. TORRICELLI, and Mr. SMITH of New Hampshire):

S. 683. A bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance, and to establish State health insurance safety-net programs; to the Committee on Finance.

Mr. SANTORUM. Mr. President, I rise to join my colleagues, Senators BOB TORRICELLI of New Jersey and BOB SMITH of New Hampshire, in introducing the bipartisan Fair Care for the Uninsured Act of 2001, legislation aimed at ensuring that all Americans, regardless of income, have a basic level of resources to purchase health insurance. I am pleased that House Majority Leader DICK ARMEY of Texas and Representative BILL LIPINSKI of Illinois have joined in introducing companion legislation in the House of Representatives.

As we all know, the growing ranks of uninsured Americans, currently 43 million, remains a major national problem that must be addressed as Congress considers improvements to our healthcare delivery system. The uninsured are three times as likely not to receive needed medical care, at least twice as more likely to need hospitalization for avoidable conditions like pneumonia and diabetes, and four times more likely to rely on an emergency room or have no regular source of care as compared to Americans who are privately insured.

The Fair Care for the Uninsured Act represents a major step toward helping the uninsured obtain health insurance coverage through the creation of a new refundable tax credit for the purchase of private health insurance, a concept which enjoys bipartisan support.

This legislation directly addresses one of the main barriers which now inhibits access to health insurance for millions of Americans: discrimination in the tax code. Most Americans obtain health insurance through their place of work, and for good reason: workers receive their employer's contribution toward health insurance completely free from federal taxation, including payroll taxes. This is effectively a $120 billion per year federal subsidy for employer-provided health insurance. By contrast, individuals who purchase their own health insurance get virtually no tax relief. They must buy insurance with after-tax dollars, forcing many to earn twice as much income before taxes in order to purchase the same insurance. This hidden health tax penalty effectively punishes people who try to buy their insurance outside the workplace.

The Fair Care for the Uninsured Act would remedy this situation by creating a parallel system for working families who do not have access to health insurance through the workplace. Specifically, this legislation creates a refundable tax credit of $1,000 per adult and up to $3,000 per family, indexed for inflation, for the purchase of private health insurance; would be available to individuals and families who don't have access to coverage through the workplace or a federal government program; enables individuals to use their credit to shop for a basic plan that best suits their needs which would be portable from job to job; and allows individuals to buy more generous coverage with after-tax dollars. And of course the states could supplement the credit.

This legislation complements a bipartisan consensus which is emerging around this means for addressing the serious problem of uninsured Americans: Instead of creating new government entitlements to medical services, tax credits provide public financing to help uninsured Americans buy private health insurance. President Bush has proposed a similar tax credit for health insurance coverage, and Senators JEFFORDS and BREAUX have introduced their own health insurance tax credit proposal here in the Senate. I applaud their efforts for advancing this important public policy initiative, and look forward to working with them to develop a clear mandate for helping America's uninsured.

I would like to apprize our colleagues of a couple of improvements which we have added to last session's bill that I believe will help bring about an even more positive impact on America's uninsured population. First, in an effort to keep premiums affordable for older, sicker Americans, our Fair Care legislation calls for the creation of safety-net arrangements administered at the state level and funded by assessments on insurers. Often called high-risk pools, such arrangements currently exist in 28 states and would be expanded to all 50. In addition, our Fair Care legislation this session would further reduce premiums by permitting the creation of Individual Membership Associations, through which individuals can obtain basic coverage free of costly state benefit mandates.

In reducing the amount of uncompensated care that is offset through cost shifting to private insurance plans, and in substantially increasing the insurance base, a health insurance tax credit will help relieve some of the spiraling costs of our health care delivery system. It would also encourage insurance companies to write policies geared to the size of the credit, thus offering more options and making it possible for low income families to obtain coverage without paying much more than the available credits.

It is time that we reduced the tax bias against families who do not have access to coverage through their place of work or existing government programs, and to encourage the creation of an effective market for family-selected and family-owned plans, where Americans have more choice and control over their health care dollars. The Fair Care for the Uninsured Act would create tax fairness where currently none exists by requiring that all Americans receive the same tax encouragement to purchase health insurance, regardless of employment.

It is my hope that our colleagues will join Senators TORRICELLI, SMITH and me in endorsing this bipartisan legislation to provide people who purchase health insurance on their own similar tax treatment as those who have access to insurance through their employer.

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. 683

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 "Fair Care for the Uninsured Act of 2001".

TITLE I—REFUNDABLE CREDIT FOR HEALTH INSURANCE COVERAGE

SEC. 101. REFUNDABLE CREDIT FOR HEALTH INSURANCE COVERAGE.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. HEALTH INSURANCE COSTS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle an amount equal to the amount paid during the taxable year for qualified health insurance for the taxpayer, his spouse, and dependents.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—The amount allowed as a credit under subsection (a) to the taxpayer for the taxable year shall not exceed the sum of the monthly limitations for coverage months during such taxable year for each individual referred to in subsection (a) for whom the taxpayer paid during the taxable year any amount for coverage under qualified health insurance.

"(2) MONTHLY LIMITATION.—

"(A) IN GENERAL.—The monthly limitation for an individual for each coverage month of such individual during the taxable year is the amount equal to 1/12 of—

"(i) $1,000 if such individual is the taxpayer,

"(ii) $1,000 if—

"(I) such individual is the spouse of the taxpayer,

"(II) the taxpayer and such spouse are married as of the first day of such month, and

"(III) the taxpayer files a joint return for the taxable year, and

"(iii) $500 if such individual is an individual for whom a deduction under section 151(c) is allowable to the taxpayer for such taxable year.

"(B) LIMITATION TO 2 DEPENDENTS.—Not more than 2 individuals may be taken into account by the taxpayer under subparagraph (A)(iii).

"(C) SPECIAL RULE FOR MARRIED INDIVIDUALS.—In the case of an individual—

"(i) who is married (within the meaning of section 7703) as of the close of the taxable year but does not file a joint return for such year, and

"(ii) who does not live apart from such individual's spouse at all times during the taxable year,

the limitation imposed by subparagraph (B) shall be divided equally between the individual and the individual's spouse unless they agree on a different division.

"(3) COVERAGE MONTH.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'coverage month' means, with respect to an individual, any month if—

"(i) as of the first day of such month such individual is covered by qualified health insurance, and

"(ii) the premium for coverage under such insurance for such month is paid by the taxpayer.

"(B) EMPLOYER-SUBSIDIZED COVERAGE.—

"(i) IN GENERAL.—Such term shall not include any month for which such individual is eligible to participate in any subsidized health plan (within the meaning of section 162(l)(2)) maintained by any employer of the taxpayer or of the spouse of the taxpayer.

''(ii) PREMIUMS TO NONSUBSIDIZED PLANS.—If an employer of the taxpayer or the spouse of the taxpayer maintains a health plan which is not a subsidized health plan (as so defined) and which constitutes qualified health insurance, employee contributions to the plan shall be treated as amounts paid for qualified health insurance.

''(C) CAFETERIA PLAN AND FLEXIBLE SPENDING ACCOUNT BENEFICIARIES.—Such term shall not include any month during a taxable year if any amount is not includible in the gross income of the taxpayer for such year under section 106 with respect to—

''(i) a benefit chosen under a cafeteria plan (as defined in section 125(d)), or

''(ii) a benefit provided under a flexible spending or similar arrangement.

''(D) MEDICARE AND MEDICAID.—Such term shall not include any month with respect to an individual if, as of the first day of such month, such individual—

''(i) is entitled to any benefits under title XVIII of the Social Security Act, or

''(ii) is a participant in the program under title XIX or XXI of such Act.

''(E) CERTAIN OTHER COVERAGE.—Such term shall not include any month during a taxable year with respect to an individual if, at any time during such year, any benefit is provided to such individual under—

''(i) chapter 89 of title 5, United States Code,

''(ii) chapter 55 of title 10, United States Code,

''(iii) chapter 17 of title 38, United States Code, or

''(iv) any medical care program under the Indian Health Care Improvement Act.

''(F) PRISONERS.—Such term shall not include any month with respect to an individual if, as of the first day of such month, such individual is imprisoned under Federal, State, or local authority.

''(G) INSUFFICIENT PRESENCE IN UNITED STATES.—Such term shall not include any month during a taxable year with respect to an individual if such individual is present in the United States on fewer than 183 days during such year (determined in accordance with section 7701(b)(7)).

''(4) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—In the case of a taxpayer who is eligible to deduct any amount under section 162(l) for the taxable year, this section shall apply only if the taxpayer elects not to claim any amount as a deduction under such section for such year.

''(c) QUALIFIED HEALTH INSURANCE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified health insurance' means insurance which constitutes medical care as defined in section 213(d) without regard to—

''(A) paragraph (1)(C) thereof, and

''(B) so much of paragraph (1)(D) thereof as relates to qualified long-term care insurance contracts.

''(2) EXCLUSION OF CERTAIN OTHER CONTRACTS.—Such term shall not include insurance if a substantial portion of its benefits are excepted benefits (as defined in section 9832(c)).

''(d) MEDICAL SAVINGS ACCOUNT CONTRIBUTIONS.—

''(1) IN GENERAL.—If a deduction would (but for paragraph (2)) be allowed under section 220 to the taxpayer for a payment for the taxable year to the medical savings account of an individual, subsection (a) shall be applied by treating such payment as a payment for qualified health insurance for such individual.

''(2) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under section 220 for that portion of the payments otherwise allowable as a deduction under section 220 for the taxable year which is equal to the amount of credit allowed for such taxable year by reason of this subsection.

''(e) SPECIAL RULES.—

''(1) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount which would (but for this paragraph) be taken into account by the taxpayer under section 213 for the taxable year shall be reduced by the credit (if any) allowed by this section to the taxpayer for such year.

''(2) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2002, each dollar amount contained in subsection (b)(2)(A) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $50 ($25 in the case of the dollar amount in subsection (b)(2)(A)(iii)).''

(b) MAINTENANCE OF EFFORT REQUIREMENT.—Section 162 of such Code (relating to trade or business expenses) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) GROUP HEALTH PLAN MAINTENANCE OF EFFORT.—No deduction shall be allowed under this chapter to an employer for any amount paid or incurred in connection with a group health plan (as defined in subsection (n)(3)) for any taxable year in which occurs the date of introduction of the Fair Care for the Uninsured Act of 2001 unless such plan remains in effect for at least 60 months after the date of the enactment of such Act.''.

(c) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of such Code (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

''SEC. 6050T. RETURNS RELATING TO PAYMENTS FOR QUALIFIED HEALTH INSURANCE.

''(a) IN GENERAL.—Any person who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under creditable health insurance, shall make the return described in subsection (b) (at such time as the Secretary may by regulations prescribe) with respect to each individual from whom such payments were received.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of the individual from whom payments described in subsection (a) were received,

''(B) the name, address, and TIN of each individual who was provided by such person with coverage under creditable health insurance by reason of such payments and the period of such coverage, and

''(C) such other information as the Secretary may reasonably prescribe.

''(c) CREDITABLE HEALTH INSURANCE.—For purposes of this section, the term 'creditable health insurance' means qualified health insurance (as defined in section 35(c)) other than—

''(1) insurance under a subsidized group health plan maintained by an employer, or

''(2) to the extent provided in regulations prescribed by the Secretary, any other insurance covering an individual if no credit is allowable under section 35 with respect to such coverage.

''(d) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required under subsection (b)(2)(A) to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person,

''(2) the aggregate amount of payments described in subsection (a) received by the person required to make such return from the individual to whom the statement is required to be furnished, and

''(3) the information required under subsection (b)(2)(B) with respect to such payments.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(e) RETURNS WHICH WOULD BE REQUIRED TO BE MADE BY 2 OR MORE PERSONS.—Except to the extent provided in regulations prescribed by the Secretary, in the case of any amount received by any person on behalf of another person, only the person first receiving such amount shall be required to make the return under subsection (a).''.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

''(xi) section 6050T (relating to returns relating to payments for qualified health insurance),''.

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking ''or'' at the end of the next to last subparagraph, by striking the period at the end of the last subparagraph and inserting '', or'', and by adding at the end the following new subparagraph:

''(BB) section 6050T(d) (relating to returns relating to payments for qualified health insurance).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050S the following new item:

''Sec. 6050T. Returns relating to payments for qualified health insurance.''.

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 35. Health insurance costs.

''Sec. 36. Overpayments of tax.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. ADVANCE PAYMENT OF CREDIT FOR PURCHASERS OF QUALIFIED HEALTH INSURANCE.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

"SEC. 7527. ADVANCE PAYMENT OF HEALTH INSURANCE CREDIT FOR PURCHASERS OF QUALIFIED HEALTH INSURANCE.

''(a) GENERAL RULE.—In the case of an eligible individual, the Secretary shall make payments to the provider of such individual's qualified health insurance equal to such individual's qualified health insurance credit advance amount with respect to such provider.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means any individual—

''(1) who purchases qualified health insurance (as defined in section 35(c)), and

''(2) for whom a qualified health insurance credit eligibility certificate is in effect.

''(c) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement furnished by an individual to the Secretary which—

''(1) certifies that the individual will be eligible to receive the credit provided by section 35 for the taxable year,

''(2) estimates the amount of such credit for such taxable year, and

''(3) provides such other information as the Secretary may require for purposes of this section.

''(d) QUALIFIED HEALTH INSURANCE CREDIT ADVANCE AMOUNT.—For purposes of this section, the term 'qualified health insurance credit advance amount' means, with respect to any provider of qualified health insurance, the Secretary's estimate of the amount of credit allowable under section 35 to the individual for the taxable year which is attributable to the insurance provided to the individual by such provider.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

''Sec. 7527. Advance payment of health insurance credit for purchasers of qualified health insurance.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

TITLE II—ASSURING HEALTH INSURANCE COVERAGE FOR UNINSURABLE INDIVIDUALS

SEC. 201. ESTABLISHMENT OF HEALTH INSURANCE SAFETY NETS.

(a) IN GENERAL.—

(1) REQUIREMENT.—For years beginning with 2002, each health insurer, health maintenance organization, and health service organization shall be a participant in a health insurance safety net (in this title referred to as a ''safety net'') established by the State in which it operates.

(2) FUNCTIONS.—Any safety net shall assure, in accordance with this title, the availability of qualified health insurance coverage to uninsurable individuals.

(3) FUNDING.—Any safety net shall be funded by an assessment against health insurers, health service organizations, and health maintenance organizations on a pro rata basis of premiums collected in the State in which the safety net operates. The costs of the assessment may be added by a health insurer, health service organization, or health maintenance organization to the costs of its health insurance or health coverage provided in the State.

(4) GUARANTEED RENEWABLE.—Coverage under a safety net shall be guaranteed renewable except for nonpayment of premiums, material misrepresentation, fraud, medicare eligibility under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), loss of dependent status, or eligibility for other health insurance coverage.

(5) COMPLIANCE WITH NAIC MODEL ACT.—In the case of a State that has not established, as of the date of the enactment of this Act, a high risk pool or other comprehensive health insurance program that assures the availability of qualified health insurance coverage to all eligible individuals residing in the State, a safety net shall be established in accordance with the requirements of the ''Model Health Plan For Uninsurable Individuals Act'' (or the successor model Act), as adopted by the National Association of Insurance Commissioners and as in effect on the date of the safety net's establishment.

(b) DEADLINE.—Safety nets required under subsection (a) shall be established not later than January 1, 2002.

(c) WAIVER.—This title shall not apply in the case of insurers and organizations operating in a State if the State has established a similar comprehensive health insurance program that assures the availability of qualified health insurance coverage to all eligible individuals residing in the State.

(d) RECOMMENDATION FOR COMPLIANCE REQUIREMENT.—Not later than January 1, 2003, the Secretary of Health and Human Services shall submit to Congress a recommendation on appropriate sanctions for States that fail to meet the requirement of subsection (a).

SEC. 202. UNINSURABLE INDIVIDUALS ELIGIBLE FOR COVERAGE.

(a) UNINSURABLE AND ELIGIBLE INDIVIDUAL DEFINED.—In this title:

(1) UNINSURABLE INDIVIDUAL.—The term ''uninsurable individual'' means, with respect to a State, an eligible individual who presents proof of uninsurability by a private insurer in accordance with subsection (b) or proof of a condition previously recognized as uninsurable by the State.

(2) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means, with respect to a State, a citizen or national of the United States (or an alien lawfully admitted for permanent residence) who is a resident of the State for at least 90 days and includes any dependent (as defined for purposes of the Internal Revenue Code of 1986) of such a citizen, national, or alien who also is such a resident.

(B) EXCEPTION.—An individual is not an ''eligible individual'' if the individual—

(i) is covered by or eligible for benefits under a State medicaid plan approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.),

(ii) has voluntarily terminated safety net coverage within the past 6 months,

(iii) has received the maximum benefit payable under the safety net,

(iv) is an inmate in a public institution, or

(v) is eligible for other public or private health care programs (including programs that pay for directly, or reimburse, otherwise eligible individuals with premiums charged for safety net coverage).

(b) PROOF OF UNINSURABILITY.—

(1) IN GENERAL.—The proof of uninsurability for an individual shall be in the form of—

(A) a notice of rejection or refusal to issue substantially similar health insurance for health reasons by one insurer; or

(B) a notice of refusal by an insurer to issue substantially similar health insurance except at a rate in excess of the rate applicable to the individual under the safety net plan.

For purposes of this paragraph, the term ''health insurance'' does not include insurance consisting only of stoploss, excess of loss, or reinsurance coverage.

(2) EXCEPTION FOR INDIVIDUALS WITH UNINSURABLE CONDITIONS.—The State shall promulgate a list of medical or health conditions for which an individual shall be eligible for safety net plan coverage without applying for health insurance or establishing proof of uninsurability under paragraph (1). Individuals who can demonstrate the existence or history of any medical or health conditions on such list shall not be required to provide the proof described in paragraph (1). The list shall be effective on the first day of the operation of the safety net plan and may be amended from time to time as may be appropriate.

SEC. 203. QUALIFIED HEALTH INSURANCE COVERAGE UNDER SAFETY NET.

In this title, the term ''qualified health insurance coverage'' means, with respect to a State, health insurance coverage that provides benefits typical of major medical insurance available in the individual health insurance market in such State.

SEC. 204. FUNDING OF SAFETY NET.

(a) LIMITATIONS ON PREMIUMS.—

(1) IN GENERAL.—The premium established under a safety net may not exceed 125 percent of the applicable standard risk rate, except as provided in paragraph (2).

(2) SURCHARGE FOR AVOIDABLE HEALTH RISKS.—A safety net may impose a surcharge on premiums for individuals with avoidable high risks, such as smoking.

(b) ADDITIONAL FUNDING.—A safety net shall provide for additional funding through an assessment on all health insurers, health service organizations, and health maintenance organizations in the State through a nonprofit association consisting of all such insurers and organizations doing business in the State on an equitable and pro rata basis consistent with section 201.

SEC. 205. ADMINISTRATION.

A safety net in a State shall be administered through a contract with 1 or more insurers or third party administrators operating in the State.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to reimburse States for their costs in administering this title.

TITLE III—INDIVIDUAL MEMBERSHIP ASSOCIATIONS

SEC. 301. EXPANSION OF ACCESS AND CHOICE THROUGH INDIVIDUAL MEMBERSHIP ASSOCIATIONS (IMAs).

The Public Health Service Act is amended by adding at the end the following new title:

''TITLE XXVIII—INDIVIDUAL MEMBERSHIP ASSOCIATIONS

"SEC. 2801. DEFINITION OF INDIVIDUAL MEMBERSHIP ASSOCIATION (IMA).

''(a) IN GENERAL.—For purposes of this title, the terms 'individual membership association' and 'IMA' mean a legal entity that meets the following requirements:

''(1) ORGANIZATION.—The IMA is an organization operated under the direction of an association (as defined in section 2804(1)).

''(2) OFFERING HEALTH BENEFITS COVERAGE.—

''(A) DIFFERENT GROUPS.—The IMA, in conjunction with those health insurance issuers that offer health benefits coverage through the IMA, makes available health benefits coverage in the manner described in subsection (b) to all members of the IMA and the dependents of such members in the manner described in subsection (c)(2) at rates that are established by the health insurance issuer on a policy or product specific basis and that may vary only as permissible under State law.

''(B) NONDISCRIMINATION IN COVERAGE OFFERED.—

''(i) IN GENERAL.—Subject to clause (ii), the IMA may not offer health benefits coverage to a member of an IMA unless the same coverage is offered to all such members of the IMA.

''(ii) CONSTRUCTION.—Nothing in this title shall be construed as requiring or permitting a health insurance issuer to provide coverage outside the service area of the issuer, as approved under State law, or preventing a health insurance issuer from excluding or limiting the coverage on any individual, subject to the requirement of section 2741.

''(C) NO FINANCIAL UNDERWRITING.—The IMA provides health benefits coverage only through contracts with health insurance issuers and does not assume insurance risk with respect to such coverage.

''(3) GEOGRAPHIC AREAS.—Nothing in this title shall be construed as preventing the establishment and operation of more than one IMA in a geographic area or as limiting the number of IMAs that may operate in any area.

''(4) PROVISION OF ADMINISTRATIVE SERVICES TO PURCHASERS.—

''(A) IN GENERAL.—The IMA may provide administrative services for members. Such services may include accounting, billing, and enrollment information.

''(B) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing an IMA from serving as an administrative service organization to any entity.

''(5) FILING INFORMATION.—The IMA files with the Secretary information that demonstrates the IMA's compliance with the applicable requirements of this title.

''(b) HEALTH BENEFITS COVERAGE REQUIREMENTS.—

''(1) COMPLIANCE WITH CONSUMER PROTECTION REQUIREMENTS.—Any health benefits coverage offered through an IMA shall—

''(A) be underwritten by a health insurance issuer that—

''(i) is licensed (or otherwise regulated) under State law,

''(ii) meets all applicable State standards relating to consumer protection, subject to section 2802(2), and

''(iii) offers the coverage under a contract with the IMA; and

''(B) subject to paragraph (2) and section 2902(2), be approved or otherwise permitted to be offered under State law.

''(2) EXAMPLES OF TYPES OF COVERAGE.—The benefits coverage made available through an IMA may include, but is not limited to, any of the following if it meets the other applicable requirements of this title:

''(A) Coverage through a health maintenance organization.

''(B) Coverage in connection with a preferred provider organization.

''(C) Coverage in connection with a licensed provider-sponsored organization.

''(D) Indemnity coverage through an insurance company.

''(E) Coverage offered in connection with a contribution into a medical savings account or flexible spending account.

''(F) Coverage that includes a point-of-service option.

''(G) Any combination of such types of coverage.

''(3) HEALTH INSURANCE COVERAGE OPTIONS.—An IMA shall include a minimum of 2 health insurance coverage options. At least 1 option shall meet all applicable State benefit mandates.

''(4) WELLNESS BONUSES FOR HEALTH PROMOTION.—Nothing in this title shall be construed as precluding a health insurance issuer offering health benefits coverage through an IMA from establishing premium discounts or rebates for members or from modifying otherwise applicable copayments or deductibles in return for adherence to programs of health promotion and disease prevention so long as such programs are agreed to in advance by the IMA and comply with all other provisions of this title and do not discriminate among similarly situated members.

''(c) MEMBERS; HEALTH INSURANCE ISSUERS.—

''(1) MEMBERS.—

''(A) IN GENERAL.—Under rules established to carry out this title, with respect to an individual who is a member of an IMA, the individual may apply for health benefits coverage (including coverage for dependents of such individual) offered by a health insurance issuer through the IMA.

''(B) RULES FOR ENROLLMENT.—Nothing in this paragraph shall preclude an IMA from establishing rules of enrollment and reenrollment of members. Such rules shall be applied consistently to all members within the IMA and shall not be based in any manner on health status-related factors.

''(2) HEALTH INSURANCE ISSUERS.—The contract between an IMA and a health insurance issuer shall provide, with respect to a member enrolled with health benefits coverage offered by the issuer through the IMA, for the payment of the premiums collected by the issuer.

''SEC. 2802. APPLICATION OF CERTAIN LAWS AND REQUIREMENTS.

''State laws insofar as they relate to any of the following are superseded and shall not apply to health benefits coverage made available through an IMA:

''(1) Benefit requirements for health benefits coverage offered through an IMA, including (but not limited to) requirements relating to coverage of specific providers, specific services or conditions, or the amount, duration, or scope of benefits, but not including requirements to the extent required to implement title XXVII or other Federal law and to the extent the requirement prohibits an exclusion of a specific disease from such coverage.

''(2) Any other requirements (including limitations on compensation arrangements) that, directly or indirectly, preclude (or have the effect of precluding) the offering of such coverage through an IMA, if the IMA meets the requirements of this title.

Any State law or regulation relating to the composition or organization of an IMA is preempted to the extent the law or regulation is inconsistent with the provisions of this title.

''SEC. 2803. ADMINISTRATION.

''(a) IN GENERAL.—The Secretary shall administer this title and is authorized to issue such regulations as may be required to carry out this title. Such regulations shall be subject to Congressional review under the provisions of chapter 8 of title 5, United States Code. The Secretary shall incorporate the process of 'deemed file and use' with respect to the information filed under section 2801(a)(5)(A) and shall determine whether information filed by an IMA demonstrates compliance with the applicable requirements of this title. The Secretary shall exercise authority under this title in a manner that fosters and promotes the development of IMAs in order to improve access to health care coverage and services.

''(b) PERIODIC REPORTS.—The Secretary shall submit to Congress a report every 30 months, during the 10-year period beginning on the effective date of the rules promulgated by the Secretary to carry out this title, on the effectiveness of this title in promoting coverage of uninsured individuals. The Secretary may provide for the production of such reports through one or more contracts with appropriate private entities.

''SEC. 2804. DEFINITIONS.

''For purposes of this title:

''(1) ASSOCIATION.—The term 'association' means, with respect to health insurance coverage offered in a State, an association which—

''(A) has been actively in existence for at least 5 years;

''(B) has been formed and maintained in good faith for purposes other than obtaining insurance;

''(C) does not condition membership in the association on any health status-related factor relating to an individual (including an employee of an employer or a dependent of an employee); and

''(D) does not make health insurance coverage offered through the association available other than in connection with a member of the association.

''(2) DEPENDENT.—The term 'dependent', as applied to health insurance coverage offered by a health insurance issuer licensed (or otherwise regulated) in a State, shall have the meaning applied to such term with respect to such coverage under the laws of the State relating to such coverage and such an issuer. Such term may include the spouse and children of the individual involved.

''(3) HEALTH BENEFITS COVERAGE.—The term 'health benefits coverage' has the meaning given the term health insurance coverage in section 2791(b)(1).

''(4) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning given such term in section 2791(b)(2).

''(5) HEALTH STATUS-RELATED FACTOR.—The term 'health status-related factor' has the meaning given such term in section 2791(d)(9).

''(6) IMA; INDIVIDUAL MEMBERSHIP ASSOCIATION.—The terms 'IMA' and 'individual membership association' are defined in section 2801(a).

''(7) MEMBER.—The term 'member' means, with respect to an IMA, an individual who is a member of the association to which the IMA is offering coverage.''.

By Mr. HARKIN (for himself, Mr. AKAKA, Mrs. BOXER, Mr. DURBIN, Mr. INOUYE, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Ms. STABENOW, Mr. TORRICELLI, Mr. WELLSTONE, and Mr. FEINGOLD):

S. 684. A bill to amend the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on account of sex, race, or national original, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. HARKIN. Mr. President, I am pleased to be joined today by Senators MURRAY, MIKULSKI, BOXER, STABENOW, KENNEDY, DURBIN, TORRICELLI, LEAHY, INOUYE, AKAKA, KERRY, WELLSTONE and FEINGOLD to reintroduce the Fair Pay Act, a bill to combat pay discrimination against women.

You might think since Congress passed the Equal Pay Act in 1963, the wage gap wouldn't exist. Unfortunately, however, women continue to be paid only 76-cents for every dollar a white man earns according to the Bureau of Labor Statistics. Women of color experience the most severe pay inequities: African American women earn only 62-cents on the dollar, Hispanic women only 54 cents.

Earlier today, I released a draft report by the Department of Labor's Women's Bureau that helps to explain the wage gap and gives us insight into fixing it.

This report was done based on my request in the FY 2000 Labor-HHS Appropriations bill. I asked the Women's Bureau to analyze wage data from federal contractors collected over the last two years, focusing on the causes of the wage gap between men and women. This is the first time in at least a decade that such a comprehensive review and analysis of wage data was conducted.

This three-part draft report, finalized by the Department of Labor in January, used updated wage data, including detailed data gathered from a sample of nearly 5,000 of our nation's federal contractors.

This report confirms that the wage gap is real, it's caused in large part by discrimination and women in female-dominated jobs suffer the most. Specifically, the report found that at least one-third, or about 11 cents on the dollar, of the pay gap is caused by pay discrimination against women.

How'd we get there? The study found if you compare women and men, in the same jobs, in the same firm, with the same experience and skills, they are still only paid 89 cents for every dollar a man earns. That 11-cent gap is unexplained, and is what we believe is pay discrimination.

But if you look at women's overall pay against men, when you take into account all of the women who are segregated into what's considered ''women's work'' and receive lower wages, the pay gap becomes 28 cents.

If this kind of occupational segregation were eliminated, the wage gap would close between 10 and 40 percent, according to this report.

It doesn't have to be this way. We can start closing the pay gap right now by simply paying women what they're worth. That's where the Fair Pay Act comes in.

The Fair Pay Act would require that employers pay their workers based on skills, effort, responsibility and effort, regardless if the job is considered so-called ''women's work.''

Millions of women today work in so-called ''women's jobs,'' as secretaries, child care workers, social workers and nurses. These jobs are often ''equivalent'' in skills, effort, responsibility and working conditions to similar jobs dominated by men. But these women aren't paid the same as the men. Work that women have traditionally done continues to be undervalued and underpaid.

That's what the Fair Pay Act would address.

Our bill says that pay discrimination based on the number of women in a job is not only un-American, but it is also illegal.

It doesn't make sense that a nurse practitioner earns less than a physician's assistant. Or that a lead administrative assistant makes less than a city bus driver. Or that a social worker earns less than a parole officer.

I've heard the argument that we don't need the Fair Pay Act, that ''market forces'' will eventually take care of it. The market can't and isn't supposed to take care of everything. You can't fix discrimination with the ''invisible hand.''

Take a look at this chart of the wage gap over the last 20 years. If we continue to rely on ''market forces,'' it will be another century before there's true pay equity for women.

In fact, this study accounts for market forces, and it says that pay in women's jobs has increased, but not nearly enough.

If we had relied on market forces in the past, our country never would have set a minimum wage and we wouldn't be taking Family Medical Leave to care for our newborns or loved ones. We never would have had the Equal Pay Act or the Americans with Disabilities Act.

Some argue that its impossible to compare the wages of different jobs. But, it's done all the time by labor consultants who use ''point systems'' based on skills, responsibility and effort required to determine the value of a job. Jobs that are different may still receive the same total score, meaning, the jobs should be paid about the same. Companies would also develop their own evaluation systems and set their own wages.

My state and 19 others have ''fair pay'' laws and policies in place for their public employees, and my state has never been stronger.

Fair pay is not just a women's issue. It's a working family issue. It's a retirement issue. When women aren't paid what they're worth, we all get cheated. And national polls show that fair pay is a top priority for women.

So I urge my colleagues to support the Fair Pay Act, we owe it to America's working women and their families.

Mr. WELLSTONE. Mr. President, I am pleased to join as a cosponsor of the Fair Pay Act. I hope that this is the Congress that will see this important piece of legislation enacted. I fear the consequences if we do not.

For thirty-eight years, since enactment of the Equal Pay Act in 1963, we have been striving to close the pay gap between men and women. We have made some progress, but not nearly enough.

Today, despite all efforts, women on average earn only 77 cents for each dollar that men earn. That's simply not acceptable. As Susan Dailey, U.S. President of the National Business and Professional Women said, ''Is it acceptable then for women to leave at 1:48 on Thursday afternoon because that's three quarters of a work week?'' No, these differentials are simply not acceptable.

Due to the wage gap, it is estimated that the average 25-year-old woman will lose approximately $500,000 over her working lifetime.

That's unfair, it's unjust. And for that reason alone, we need to support legislation that will address the root causes of this pay inequity.

But not only is it unjust to women, it's unfair to the whole family. It is estimated that the wage gap annually costs America's working families $200 billion. Over ten years that's $2 trillion in lost income to families as a result of wage disparities. That's more than the entire tax cut the Bush Administration is anxious to give back to the wealthiest 1 percent of the population!

This bill can lift families out of poverty. If married women were paid the same as men, their families' rate of poverty would fall by more than 60 percent. If single working mothers earned as much as their male counterparts, their poverty rates would be cut in half.

That's what this bill is about, paying everyone a decent wage, the wage they deserve, so that they can support their families with dignity.

I'm proud that my home state of Minnesota is a leader on this issue. Our state comparable worth law is one of the strongest on the books and serves as a model for other states. In Minnesota, under our law, both state and municipal employees get the benefits of this important protection.

I hope we can follow suit on the federal level. I urge my colleagues to act swiftly on this important measure.

By Mr. BAYH (for himself, Ms. SNOWE, Mr. GRAHAM, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. LANDRIEU, Mr. KOHL, Mr. JOHNSON, Mr. BREAUX, Mr. ROCKEFELLER, Mrs. CLINTON, and Mr. CARPER):

S. 685. A bill to amend title IV of the Social Security Act to strengthen working families, and for other purposes; to the Committee on Finance.

Mr. BAYH. Mr. President, I rise today to introduce legislation that will increase a working family's chances to remain self-sufficient and off of Welfare. Given the dramatic decline in the welfare caseload since 1996, the question remains whether individuals leaving welfare will remain off welfare. In order to fortify the successful welfare reform efforts of the last five years, I along with a bipartisan group of Senators have brought together a legislative package designed to honor work, personal responsibility and strengthen a family's chance to stay self-sufficient.

The Strengthening Working Families Act includes six initiatives designed to support the efforts of families who have made it off welfare, but are at risk of falling backward—especially in a weak economy. The provisions of the package include: (1) Promotion of Responsible Fatherhood; (2) Distribution of Child Support Directly to Families;

(3) Expansion of the EITC for Larger Families; (4) Restoration of the Social Services Block Grant; (5) Encouragement of Employer-sponsored Child Care; and (6) Reauthorization of The Safe and Stable Families Act.

The Strengthening Working Families Act provides those who are trying to be responsible with a hand-up, not a handout. It honors our values, in this case the values of work and self-sufficiency, and strengthens families who take responsibility for their children emotionally and financially.

This proposal to support continued personal responsibility comes as the first stage of welfare reform ends and Congress prepares to tackle welfare's hardest cases in the 2002 reauthorization of Temporary Aid to Needy Families, TANF. Since the welfare system was reformed to require that individuals take responsibility for themselves and their families, caseloads have declined. After peaking at 5.1 million families in March of 1994, the number of families on welfare has declined by more than half, to 2.2 million families in June of 2000. The employment rate for single mothers has increased from 57 percent in 1992 to almost 73 percent in 2000. Even among those remaining on the welfare rolls, work has increased sharply, from about 8 percent of adults in 1994 to 28 percent in 1999.

This is a fiscally responsible approach that will be good for families and good for American taxpayers. As Governor, I reformed welfare in Indiana. In 1994, we spent $247.8 million in Indiana on direct welfare payments to families. By the year 2000, we reduced that number by sixty-six percent, to $83.8 million. If you help people find work and dignity, they become self-sufficient.

A number of recent studies show that between 18 percent and 35 percent of those who leave welfare return to the rolls, however. While these rates are reflective of a good economy with ample employment opportunities, the next few months will indicate what will happen to the welfare rolls during a slowing economy. Many of those who left the rolls are in jobs sensitive to economic downturns: 46 percent are in the service industry and 24 percent work in retail.

The total cost of the package is estimated at $11.5 billion; 80 percent or $8.5 billion of which is directed in tax cuts for working families and small businesses. The administration's budget blueprint includes funding for two titles of this bill: Title I, the fatherhood programs, were included at $64 million a year, $315 million over five years; as well as Title VI, the child welfare program, in its entirety.

In particular, Title I of the bill which promotes responsible fatherhood mirrors S. 653, The Responsible Fatherhood Act of 2001, a bill I introduced earlier this Congress with Senator DOMENICI. Many of America's mothers, including single moms, are heroic in their efforts to make ends meet while raising good, responsible children. Many dads are too. But an increasing number of men are not doing their part, or are absent entirely. The decline in the involvement of fathers in the lives of their children over the last forty years is a troubling trend that affects us all. Fathers can help teach their children about respect, honor, duty and so many of the values that make our communities strong.

The number of children living in households without fathers has tripled over the last forty years, from just over 5 million in 1960 to more than 17 million today. Today, the United States leads the world in fatherless families, and too many children spend their lives without any contact with their fathers. The consequences are severe, a study by the Journal of Research in Crime and Delinquency found that the best predictor of violent crime and burglary in a community is not the rate of poverty, but the rate of fatherless homes.

The Responsible Fatherhood Act of 2001, does three primary things to help combat fatherlessness in America. First, it creates a grant program for state media campaigns to encourage fathers to act responsibly. Second, it funds community efforts that provide fathers with the tools necessary to be responsible fathers. Finally, the bill creates a National Clearinghouse to assist states with their media campaigns and with the dissemination of materials to promote responsible fatherhood.

I want to thank Senator SNOWE for her leadership on this bill. With her support not only does each individual piece of this legislation enjoy bipartisan support, the entire package is bipartisan. In addition, I want to thank Senators BOB GRAHAM, JOSEPH LIEBERMAN, BLANCHE LINCOLN, MARY LANDRIEU, HERB KOHL, TIM JOHNSON, JOHN BREAUX, HILLARY CLINTON, JOHN ROCKEFELLER and THOMAS CARPER for their support.

This bipartisan package to promote personal responsibility will allow us to continue to discuss the successes of welfare reform. I urge my colleagues to support this important legislation.

Mr. KOHL. Mr. President, I rise today as a proud cosponsor of the Strengthening Working Families Act of 2001. I would like to thank Senators BAYH and SNOWE for working so diligently to put this package together. I am pleased that my Child Care Infrastructure Act is included, and I believe it will go a long way towards providing working families the tools they need to succeed.

That's because this bill is based on a simple premise: that working couples who decide to have a family should not be penalized because they both must keep working.

Unfortunately today, many working parents today do not have access to an essential tool for success at work: quality child care. According to the Children's Defense Fund, the average annual cost of child care can be more than the average annual cost of public college tuition. And nothing adds more to these high costs than the dramatic shortage of quality child care in this country.

Increasing the supply of child care has clear benefits, for children, their parents and businesses. Research on the brain has proven the importance of early childhood programs to a child's chances of long-term success in school and in adult life. I have visited many employer-sponsored child care centers in Wisconsin, and they are so often state-of-the-art facilities that significantly enhance early childhood education. And just as importantly, parents are more productive at work when they know that their children have safe, reliable child care.

This bill is aimed at increasing the supply of child care for working families. We provide a 25 percent tax credit to businesses who are willing to take actions to increase the supply of quality child care, including the construction and operation of an on-site or near-site child care center, or providing child care subsidies for their employees.

Increasing the supply of affordable child care is just one part of the fight to help working families succeed, and this bill makes businesses a true partner in that effort.

I am also pleased that the Strengthening Working Families bill also includes ''The Child Support Distribution Act,'' which is similar to legislation I've been working on since 1998, the ''Children First Child Support Reform Act''.

This bill takes significant steps toward ensuring that children receive the child support money they are owed and deserve. In Fiscal Year 1999, the public child support system collected child support payments for only 37 percent of its caseload, up from 23 percent in 1998. Obviously, we still need to improve, but States are making real progress. It's time for Congress to take the next step and help States overcome a major obstacle to collecting child support for families.

There are many reasons why non-custodial parents may not be paying support for their children. Some are not able to pay because they don't have jobs or have fallen on hard times. Others may not pay because they are unfairly prevented from spending time with their children.

But other fathers don't pay because the public system actually discourages them from paying. Under current law, over $2 billion in child support is retained every year by the State and Federal governments as repayment for welfare benefits, rather than delivered to the children to whom it is owed. Since the money doesn't benefit their kids, fathers are discouraged from paying support. And mothers have no incentive to push for payment since the support doesn't go to them.

It's time for Congress to change this system and encourage States to distribute more child support to families. My home State of Wisconsin has already been doing this for several years and is seeing great results. In 1997, I worked with my State to institute an innovative program of passing through child support payments directly to families. Preliminary results show that when child support payments are delivered to families, non-custodial parents are more apt to pay, and to pay more. In addition, Wisconsin has found that, overall, this policy does not increase government costs. That makes sense because ''passing through'' support payments to families means they have more of their own resources, and are less apt to depend on public help to meet other needs such as food, transportation or child care.

We now have a key opportunity to encourage all States to follow Wisconsin's example. Title II of the Strengthening Working Families bill gives States options and strong incentives to send more child support directly to families who are working their way off, or are already off, public assistance. Not only will this create the right incentives for non-custodial parents to pay, but it will also simplify the job for States, who currently face an administrative nightmare in following the complicated rules of the current system.

We know that creating the right incentives for non-custodial parents to pay support and increasing collections has long-term benefits. People who can count on child support are more likely to stay in jobs and stay off public assistance.

This legislation finally brings the Child Support Enforcement program into the post-welfare reform era, shifting its focus from recovering welfare costs to increasing child support to families so they can sustain work and maintain self-sufficiency. After all, it's only fair that if we are asking parents to move off welfare and take financial responsibility for their families, then we in Congress must make sure that child support payments actually go to the families to whom they are owed and who are working so hard to succeed.

Last year, a House version of this bill passed by an overwhelming bipartisan vote for 405 to 18. We must keep the momentum going in this Congress, and finally make child support meaningful for families. Again, I want to thank Senators SNOWE and BAYH for working with me on this issue and for including it in this package.

Mr. ROCKEFELLER. Mr. President, I am proud to join my colleagues in supporting the Working Families package to invest in a series of bipartisan initiatives to support and encourage families that are ''playing by the rules,'' but struggling to make ends meet as they raise their children.

This legislation combines key legislative proposals to help working families, including a targeted expansion of the Earned Income Tax Credit, EITC, for families with three or more children. It is simple common sense that parents with more children need more help in making ends meet. This bill would give the most needy families up to $496 more in the EITC to help working families live with dignity. Our legislation also includes key provisions to streamline and improve the EITC, which is one of our most effective programs to combat child poverty.

Another key component of this package would reauthorize and expand the Safe and Stable Families Act with an additional $200 million a year, as proposed by President Bush. I helped to create this program in 1993 with Senator BOND, and it was expanded and improved in 1997 as part of the Adoption and Safe Families Act. Since this act became law, we have dramatically increased the number of adoptions from foster care. Therefore, we need to increase funding for adoption services and to help the children and their new families overcome the years of abuse and neglect. Further, the bill would improve the Chafee Independent Living program by offering a $5000 scholarship to teens from foster care to encourage them to attend college or pursue vocational training. Abused and neglected children are among the most vulnerable in our society and they deserve our support and care.

For many years, I have worked closely with Senator GRAHAM and a bipartisan coalition to restore funding to the Social Service Block Grant, a flexible program to enable states to provide support for needy children, families, seniors and the disabled. During the welfare reform debates, we promised flexibility to the states and full funding of the Social Services Block Grant at $2.38 billion, and we should keep that promise and restore funding.

Providing provisions to improve our child support system to get payments to the families first has been a longstanding priority for me. Fatherhood is a major issue for our families, and from my work on the National Commission on Children over a decade ago, I know that children do best in families with committed, caring parents. Investing in quality child care is an obvious concern as we continue our efforts on welfare reform and face the challenges of our new economy in which most mothers work.

We should be working together to help our children and our families, so I hope that we will be able to promote this package of bipartisan initiatives that are targeted to some of our most vulnerable families, who are working hard but need help to raise their children with dignity.

AMENDMENTS SUBMITTED AND PROPOSED

SA 172. Mr. BAUCUS (for himself, Mr. GRAHAM, Mr. KENNEDY, Mr. ROCKEFELLER, Ms. STABENOW, Ms. MIKULSKI, Mrs. MURRAY, Mr. DAYTON, Mr. WYDEN, Mrs. CLINTON, Mr. REED, Mrs. CARNAHAN, Mr. NELSON, of Florida, Mr. SARBANES, and Mr. LEVIN) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

SA 173. Mr. GRASSLEY (for himself, Ms. SNOWE, Mr. DOMENICI, Ms. COLLINS, Mr. FRIST, Mr. SMITH, of Oregon, and Mr. GRAMM) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 174. Mr. GRASSLEY (for himself, Mr. MILLER, Mr. DOMENICI, Mr. HUTCHINSON, and Mr. HAGEL) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 175. Mr. WARNER (for himself, Mr. HUTCHINSON, Mr. ROBERTS, Mr. INHOFE, Ms. COLLINS, Mr. MILLER, and Mr. KYL) submitted an amendment intended to be proposed by him to the concurrent resolution H. Con. Res. 83, supra; which was ordered to lie on the table.

SA 176. Mr. JOHNSON (for himself, Mr. CONRAD, Mr. DASCHLE, Mr. HARKIN, Mr. DORGAN, and Mrs. LINCOLN) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 177. Mr. DOMENICI (for Mr. WELLSTONE) proposed an amendment to the bill S. Res. 55, designating the third week of April as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 and all future years.

SA 178. Mr. DOMENICI (for Mr. WELLSTONE) proposed an amendment to the bill S. Res. 55, supra.

TEXT OF AMENDMENTS

SA 172. Mr. BAUCUS (for himself, Mr. GRAHAM, Mr. KENNEDY, Mr. ROCKEFELLER, Ms. STABENOW, Ms. MIKULSKI, Mrs. MURRAY, Mr. DAYTON, Mr. WYDEN, Mrs. CLINTON, Mr. REED, Mrs. CARNAHAN, Mr. NELSON of Florida, Mr. SARBANES, and Mr. LEVIN) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 2, line 16, decrease the amount by $2,500,000,000.

On page 2, line 17, decrease the amount by $11,073,000,000.

On page 2, line 18, decrease the amount by $7,900,000,000.

On page 3, line 1, increase the amount by $2,418,000,000.

On page 3, line 2, increase the amount by $13,339,000,000.

On page 3, line 3, increase the amount by $18,863,000,000.

On page 3, line 4, increase the amount by $22,694,000,000.

On page 3, line 5, increase the amount by $24,898,000,000.

On page 3, line 6, increase the amount by $29,509,000,000.

On page 3, line 7, increase the amount by $30,953,000,000.

On page 3, line 8, increase the amount by $34,483,000,000.

On page 3, line 12, decrease the amount by $2,500,000,000.

On page 3, line 13, decrease the amount by $11,073,000,000.

On page 3, line 14, decrease the amount by $7,900,000,000.

On page 3, line 15, increase the amount by $2,418,000,000.

On page 3, line 16, increase the amount by $13,339,000,000.

On page 3, line 17, increase the amount by $18,863,000,000.

On page 3, line 18, increase the amount by $22,694,000,000.

On page 3, line 19, increase the amount by $24,898,000,000.

On page 3, line 20, increase the amount by $29,509,000,000.

On page 3, line 21, increase the amount by $30,953,000,000.

On page 3, line 22, increase the amount by $34,483,000,000.

On page 28, line 19, decrease the amount by $2,500,000,000.

On page 28, line 20, decrease the amount by $2,500,000,000.

On page 28, line 23, decrease the amount by $11,200,000,000.

On page 28, line 24, decrease the amount by $11,200,000,000.

On page 29, line 2, decrease the amount by $12,900,000,000.

On page 29, line 3, decrease the amount by $12,900,000,000.

On page 29, line 6, decrease the amount by $14,800,000,000.

On page 29, line 7, decrease the amount by $14,800,000,000.

On page 29, line 10, decrease the amount by $4,200,000,000.

On page 29, line 11, decrease the amount by $4,200,000,000.

On page 30, line 19, increase the amount by $127,000,000.

On page 30, line 20, increase the amount by $127,000,000.

On page 30, line 23, increase the amount by $5,000,000,000.

On page 30, line 24, increase the amount by $5,000,000,000.

On page 31, line 2, increase the amount by $17,218,000,000.

On page 31, line 3, increase the amount by $17,218,000,000.

On page 31, line 6, increase the amount by $17,539,000,000.

On page 31, line 7, increase the amount by $17,539,000,000.

On page 31, line 10, increase the amount by $18,863,000,000.

On page 31, line 11, increase the amount by $18,863,000,000.

On page 31, line 14, increase the amount by $22,694,000,000.

On page 31, line 15, increase the amount by $22,694,000,000.

On page 31, line 18, increase the amount by $24,898,000,000.

On page 31, line 19, increase the amount by $24,898,000,000.

On page 31, line 22, increase the amount by $29,509,000,000.

On page 31, line 23, increase the amount by $29,509,000,000.

On page 32, line 2, increase the amount by $30,953,000,000.

On page 32, line 3, increase the amount by $30,953,000,000.

On page 32, line 6, increase the amount by $34,483,000,000.

On page 32, line 7, increase the amount by $34,483,000,000.

On page 4, line 15, decrease the amount by $2,500,000,000.

On page 4, line 16, decrease the amount by $11,073,000,000.

On page 4, line 17, decrease the amount by $7,900,000,000.

On page 4, line 18, increase the amount by $2,418,000,000.

On page 4, line 19, increase the amount by $13,339,000,000.

On page 4, line 20, increase the amount by $18,863,000,000.

On page 4, line 21, increase the amount by $22,694,000,000.

On page 4, line 22, increase the amount by $24,898,000,000.

On page 4, line 23, increase the amount by $29,509,000,000.

On page 5, line 1, increase the amount by $30,953,000,000.

On page 5, line 2, increase the amount by $34,483,000,000.

On page 4, line 1, decrease the amount by $2,500,000,000.

On page 4, line 2, decrease the amount by $11,073,000,000.

On page 4, line 3, decrease the amount by $7,900,000,000.

On page 4, line 4, increase the amount by $2,418,000,000.

On page 4, line 5, increase the amount by $13,339,000,000.

On page 4, line 6, increase the amount by $18,863,000,000.

On page 4, line 7, increase the amount by $22,694,000,000.

On page 4, line 8, increase the amount by $24,898,000,000.

On page 4, line 9, increase the amount by $29,509,000,000.

On page 4, line 10, increase the amount by $30,953,000,000.

On page 4, line 11, increase the amount by $34,483,000,000.

On page 50, line 3, decrease the amount by $11,073,000,000.

On page 50, line 5, increase the amount by $158,183,000,000.

SA 173. Mr. GRASSLEY (for himself, Ms. SNOWE, Mr. DOMENICI, Ms. COLLINS, Mr. FRIST, Mr. SMITH of Oregon, and Mr. GRAMM) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 49 strike lines 15 through line 6 on page 50 and insert the following:

SEC. 203. RESERVE FUND FOR PRESCRIPTIONS DRUGS AND MEDICARE REFORM IN THE SENATE.

If the Committee on Finance of the Senate reports a bill or joint resolution, or a conference report thereon is submitted, which reforms the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and improves the access of beneficiaries under that program to prescription drugs, the Chairman of the Committee on the Budget of the Senate may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that bill, joint resolution, or conference report but not to exceed $300,000,000,000 for the period of fiscal years 2002 through 2011. The total adjustment made under this section for any fiscal year may not exceed the Congressional Budget Office's estimate of the President's Medicare reform and prescription drug plan (or, if such a plan is not submitted in a timely manner, the Congressional Budget Office's estimate of a comparable plan submitted by the Chairman of the Committee on Finance).

SA 174. Mr. GRASSLEY (for himself, Mr. MILLER, Mr. DOMENICI, Mr. HUTCHINSON, and Mr. HAGEL) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 4, line 1, increase the amount by $5,112,000,000.

On page 4, line 2, increase the amount by $7,810,000,000.

On page 4, line 3, increase the amount by $8,202,000,000.

On page 4, line 4, increase the amount by $8,658,000,000.

On page 4, line 5, increase the amount by $9,129,000,000.

On page 4, line 6, increase the amount by $8,611,000,000.

On page 4, line 7, increase the amount by $9,101,000,000.

On page 4, line 8, increase the amount by $8,591,000,000.

On page 4, line 9, increase the amount by $8,047,000,000.

On page 4, line 10, increase the amount by $7,470,000,000.

On page 4, line 11, increase the amount by $7,885,000,000.

On page 4, line 15, increase the amount by $5,112,000,000.

On page 4, line 16, increase the amount by $7,810,000,000.

On page 4, line 17, increase the amount by $8,202,000,000.

On page 4, line 18, increase the amount by $8,658,000,000.

On page 4, line 19, increase the amount by $9,129,000,000.

On page 4, line 20, increase the amount by $8,611,000,000.

On page 4, line 21, increase the amount by $9,101,000,000.

On page 4, line 22, increase the amount by $8,591,000,000.

On page 4, line 23, increase the amount by $8,047,000,000.

On page 5, line 1, increase the amount by $7,470,000,000.

On page 5, line 2, increase the amount by $7,885,000,000.

On page 5, line 6, decrease the amount by $5,112,000,000.

On page 5, line 7, decrease the amount by $7,810,000,000.

On page 5, line 8, decrease the amount by $8,202,000,000.

On page 5, line, 9, decrease the amount by $8,685,000,000.

On page 5, line 10, decrease the amount by $9,129,000,000.

On page 5, line 11, decrease the amount by $8,611,000,000.

On page 5, line 12, decrease the amount by $9,101,000,000.

On page 5, line 13, decrease the amount by $8,591,000,000.

On page 5, line 14, decrease the amount by $8,047,000,000.

On page 5, line 15, decrease the amount by $7,470,000,000.

On page 5, line 16, decrease the amount by $7,885,000,000.

On page 5, line 19, increase the amount by $5,112,000,000.
On page 5, line 20, increase the amount by $12,922,000,000.
On page 5, line 21, increase the amount by $21,124,000,000.
On page 5, line 22, increase the amount by $29,782,000,000.
On page 5, line 23, increase the amount by $38,911,000,000.
On page 5, line 24, increase the amount by $47,522,000,000.
On page 5, line 25, increase the amount by $56,623,000,000.
On page 6, line 1, increase the amount by $65,213,000,000.
On page 6, line 7, increase the amount by $5,112,000,000.
On page 6, line 8, increase the amount by $12,922,000,000.
On page 6, line 9, increase the amount by $21,124,000,000.
On page 6, line 10, increase the amount by $29,782,000,000.
On page 6, line 11, increase the amount by $38,911,000,000.
On page 6, line 12, increase the amount by $47,522,000,000.
On page 6, line 13, increase the amount by $56,623,000,000.
On page 6, line 14, increase the amount by $65,213,000,000.
On page 17, line 23 increase the amount by $350,000,000.
On page 17, line 24, increase the amount by $350,000,000.
On page 18, line 2, increase the amount by $350,000,000.
On page 18, line 3, increase the amount by $350,000,000.
On page 18, line 6, increase the amount by $350,000,000.
On page 18, line 7, increase the amount by $350,000,000.
On page 18, line 10, increase the amount by $350,000,000.
On page 18, line 11, increase the amount by $350,000,000.
On page 18, line 14, increase the amount by $350,000,000.
On page 18, line 15, increase the amount by $350,000,000.
On page 18, line 18, increase the amount by $350,000,000.
On page 18, line 19, increase the amount by $350,000,000.
On page 18, line 22, increase the amount by $350,000,000.
On page 18, line 23, increase the amount by $350,000,000.
On page 19, line 2, increase the amount by $350,000,000.
On page 19, line 3, increase the amount by $350,000,000.
On page 19, line 6, increase the amount by $350,000,000.
On page 19, line 7, increase the amount by $350,000,000.
On page 19, line 10, increase the amount by $350,000,000.
On page 19, line 11, increase the amount by $350,000,000.
On page 19, line 15, increase the amount by $5,000,000,000.
On page 19, line 16, increase the amount by $5,000,000,000.
On page 19, line 19, increase the amount by $7,000,000,000.
On page 19, line 20, increase the amount by $7,000,000,000.
On page 19, line 23, increase the amount by $7,000,000,000.
On page 19, line 24, increase the amount by $7,000,000,000.
On page 20, line 2, increase the amount by $7,000,000,000.
On page 20, line 3, increase the amount by $7,000,000,000.
On page 20, line 6, increase the amount by $7,000,000,000.
On page 20, line 7, increase the amount by $7,000,000,000.
On page 20, line 10, increase the amount by $6,000,000,000.
On page 20, line 11, increase the amount by $6,000,000,000.
On page 20, line 14, increase the amount by $6,000,000,000.
On page 20, line 15, increase the amount by $6,000,000,000.
On page 20, line 18, increase the amount by $5,000,000,000.
On page 20, line 19, increase the amount by $5,000,000,000.
On page 20, line 22, increase the amount by $4,000,000,000.
On page 20, line 23, increase the amount by $4,000,000,000.
On page 21, line 2, increase the amount by $3,000,000,000.
On page 21, line 3, increase the amount by $3,000,000,000.
On page 21, line 6, increase the amount by $3,000,000,000.
On page 21, line 7, increase the amount by $3,000,000,000.
On page 41, line 15, increase the amount by $112,000,000.
On page 41, line 16, increase the amount by $112,000,000.
On page 41, line 19, increase the amount by $460,000,000.
On page 41, line 20, increase the amount by $460,000,000.
On page 41, line 23, increase the amount by $852,000,000.
On page 41, line 24, increase the amount by $852,000,000.
On page 42, line 2, increase the amount by $1,308,000,000.
On page 42, line 3, increase the amount by $1,308,000,000.
On page 42, line 6, increase the amount by $1,779,000,000.
On page 42, line 7, increase the amount by $1,779,000,000.
On page 42, line 10, increase the amount by $2,261,000,000.
On page 42, line 11, increase the amount by $2,261,000,000.
On page 42, line 14, increase the amount by $2,751,000,000.
On page 42, line 15, increase the amount by $2,751,000,000.
On page 42, line 18, increase the amount by $3,241,000,000.
On page 42, line 19, increase the amount by $3,241,000,000.
On page 42, line 22, increase the amount by $3,697,000,000.
On page 42, line 23, increase the amount by $3,697,000,000.
On page 43, line 2, increase the amount by $4,120,000,000.
On page 43, line 3, increase the amount by $4,120,000,000.
On page 43, line 6, increase the amount by $4,535,000,000.
On page 43, line 7, increase the amount by $4,535,000,000.

SA 175. Mr. WARNER (for himself, Mr. HUTCHINSON, Mr. ROBERTS, Mr. INHOFE, Ms. COLLINS, Mr. MILLER, and Mr. KYL) submitted an amendment intended to be proposed by him to the concurrent resolution H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; which was ordered to lie on the table; as follows:

On page 4, line 2, increase the amount by $8,500,000,000.
On page 4, line 16, increase the amount by $6,460,000,000.
On page 10, line 21, increase the amount by $8,500,000,000.
On page 10, line 22, increase the amount by $6,460,000,000.
On page 43, line 15, increase the amount by $8,500,000,000.
On page 43, line 16, increase the amount by $6,460,000,000.
On page 48, line 6, increase the amount by $8,500,000,000.
On page 48, line 7, increase the amount by $6,460,000,000.

SA 176. Mr. JOHNSON (for himself, Mr. CONRAD, Mr. DASCHLE, Mr. HARKIN, Mr. DORGAN, and Mrs. LINCOLN) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

(New Budget Authority)
On page 4, line 1, increase the amount by $9,000,000,000.
On page 4, line 2, decrease the amount by $4,400,000,000.
On page 4, line 3, increase the amount by $12,000,000,000.
On page 4, line 4, increase the amount by $12,000,000,000.
On page 4, line 5, increase the amount by $12,000,000,000.
On page 4, line 6, increase the amount by $11,000,000,000.
On page 4, line 7, increase the amount by $11,000,000,000.
On page 4, line 8, increase the amount by $7,000,000,000.
On page 4, line 9, increase the amount by $6,600,000,000.
On page 4, line 10, increase the amount by $6,000,000,000.
On page 4, line 11, increase the amount by $6,000,000,000.
(New outlays)
On page 4, line 15, increase the amount by $9,000,000,000.
On page 4, line 16, decrease the amount by $4,400,000,000.
On page 4, line 17, increase the amount by $12,000,000,000.
On page 4, line 18, increase the amount by $12,000,000,000.
On page 4, line 19, increase the amount by $12,000,000,000.
On page 4, line 20, increase the amount by $11,000,000,000.
On page 4, line 21, increase the amount by $11,000,000,000.
On page 4, line 22, increase the amount by $7,000,000,000.
On page 4, line 23, increase the amount by $6,600,000,000.
On page 5, line 1, increase the amount by $6,000,000,000.
On page 5, line 2, increase the amount by $6,000,000,000.
(Surpluses)
On page 5, line 6, decrease the amount by $9,000,000,000.
(Revenues)
On page 2, line 17, increase the amount by $4,400,000,000.

On page 2, line 18, increase the amount by $12,000,000,000.

On page 3, line 1, increase the amount by $12,000,000,000.

On page 3, line 2, increase the amount by $12,000,000,000.

On page 3, line 3, increase the amount by $11,000,000,000.

On page 3, line 4, increase the amount by $11,000,000,000.

On page 3, line 5, increase the amount by $7,000,000,000.

On page 3, line 6, increase the amount by $6,600,000,000.

On page 3, line 7, increase the amount by $6,000,000,000.

On page 3, line 8, increase the amount by $6,000,000,000.

(Revenue Reductions)

On page 3, line 13, decrease the amount by $4,400,000,000.

On page 3, line 14, decrease the amount by $12,000,000,000.

On page 3, line 15, decrease the amount by $12,000,000,000.

On page 3, line 16, decrease the amount by $12,000,000,000.

On page 3, line 17, decrease the amount by $11,000,000,000.

On page 3, line 18, decrease the amount by $11,000,000,000.

On page 3, line 19, decrease the amount by $7,000,000,000.

On page 3, line 20, decrease the amount by $6,600,000,000.

On page 3, line 21, decrease the amount by $6,000,000,000.

On page 3, line 22, decrease the amount by $6,000,000,000.

(Debt Held by the Public)

On page 6, line 7, increase the amount by $9,000,000,000.

On page 6, line 8, increase the amount by $18,000,000,000.

On page 6, line 9, increase the amount by $27,000,000,000.

On page 6, line 10, increase the amount by $36,000,000,000.

On page 6, line 11, increase the amount by $45,000,000,000.

On page 6, line 12, increase the amount by $54,000,000,000.

On page 6, line 13, increase the amount by $63,000,000,000.

On page 6, line 14, increase the amount by $72,000,000,000.

On page 6, line 15, increase the amount by $81,000,000,000.

On page 6, line 16, increase the amount by $90,000,000,000.

On page 6, line 17, increase the amount by $99,000,000,000.

(Function 300)

On page 17, line 23, increase the amount by $400,000,000.

On page 17, line 24, increase the amount by $400,000,000.

On page 18, line 2, increase the amount by $1,000,000,000.

On page 18, line 3, increase the amount by $1,000,000,000.

On page 18, line 6, increase the amount by $1,000,000,000.

On page 18, line 7, increase the amount by $1,000,000,000.

On page 18, line 10, increase the amount by $1,000,000,000.

On page 18, line 11, increase the amount by $1,000,000,000.

On page 18, line 14, increase the amount by $1,000,000,000.

On page 18, line 15, increase the amount by $1,000,000,000.

On page 18, line 18, increase the amount by $1,000,000,000.

On page 18, line 19, increase the amount by $1,000,000,000.

On page 18, line 22, increase the amount by $1,000,000,000.

On page 18, line 23, increase the amount by $1,000,000,000.

On page 19, line 2, increase the amount by $1,000,000,000.

On page 19, line 3, increase the amount by $1,000,000,000.

On page 19, line 6, increase the amount by $1,000,000,000.

On page 19, line 7, increase the amount by $1,000,000,000.

On page 19, line 10, increase the amount by $1,000,000,000.

On page 19, line 11, increase the amount by $1,000,000,000.

(Function 350)

On page 19, line 15, increase the amount by $9,000,000,000.

On page 19, line 16, increase the amount by $9,000,000,000.

On page 19, line 19, increase the amount by $4,000,000,000.

On page 19, line 20, increase the amount by $4,000,000,000.

On page 19, line 23, increase the amount by $11,000,000,000.

On page 19, line 24, increase the amount by $11,000,000,000.

On page 20, line 2, increase the amount by $11,000,000,000.

On page 20, line 3, increase the amount by $11,000,000,000.

On page 20, line 6, increase the amount by $11,000,000,000.

On page 20, line 7, increase the amount by $11,000,000,000.

On page 20, line 10, increase the amount by $10,000,000,000.

On page 20, line 11, increase the amount by $10,000,000,000.

On page 20, line 14, increase the amount by $10,000,000,000.

On page 20, line 15, increase the amount by $10,000,000,000.

On page 20, line 18, increase the amount by $6,000,000,000.

On page 20, line 18, increase the amount by $6,000,000,000.

On page 20, line 22, increase the amount by $5,600,000,000.

On page 20, line 23, increase the amount by $5,600,000,000.

On page 21, line 2, increase the amount by $5,000,000,000.

On page 21, line 3, increase the amount by $5,000,000,000.

On page 21, line 6, increase the amount by $5,000,000,000.

On page 21, line 7, increase the amount by $5,000,000,000.

On page 5, line 19, increase the amount by $9,000,000,000.

On page 5, line 20, increase the amount by $18,000,000,000.

On page 5, line 21, increase the amount by $27,000,000,000.

On page 5, line 22, increase the amount by $36,000,000,000.

On page 5, line 23, increase the amount by $45,000,000,000.

On page 5, line 24, increase the amount by $54,000,000,000.

On page 5, line 25, increase the amount by $63,000,000,000.

On page 6, line 1, increase the amount by $72,000,000,000.

On page 6, line 2, increase the amount by $81,000,000,000.

On page 6, line 3, increase the amount by $90,000,000,000.

On page 6, line 4, increase the amount by $99,000,000,000.

SA 177. Mr. DOMENICI (for Mr. WELLSTONE) proposed an amendment to the bill S. Res. 55, designating the third week of April as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 and all future years; as follows:

On page 4, line 4 strike ''and all future years''.

SA 178. Mr. DOMENICI (for Mr. WELLSTONE) proposed an amendment to the bill S. Res. 55, designating the third week of April as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 and all future years; as follows:

Amend the title so as to read: Designating the third week of April as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mrs. HUTCHISON. 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 Tuesday, April 3 at 9:30 a.m. to conduct an overnight hearing. The committee will consider national energy policy with respect to impediments to development of domestic oil and natural gas components.

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

COMMITTEE ON FINANCE

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, April 3, 2001 to hear testimony on Medicare and Managed Care: Finding Successful Solutions.

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

COMMITTEE ON FOREIGN RELATIONS

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 3, 2001 at 10:30 a.m. to hold a business meeting.

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

COMMITTEE ON THE JUDICIARY

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Tuesday, April 3, 2001 at 10:00 a.m., in SD226.

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

SELECT COMMITTEE ON INTELLIGENCE

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, April 3, 2001 at 2:30 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON IMMIGRATION

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Immigration be authorized to meet to conduct a hearing on Tuesday, April 3, 2001, at 2:00 p.m. in Dirksen 226.

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

SUBCOMMITTEE ON STRATEGIC

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Subcommittee on Strategic of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, April 3, 2001, at 2:30 p.m., in open session to receive testimony on the report of the national commission for the review of the National Reconnaissance Office and the report of the Independent Commission on the National Imagery and Mapping Agency.

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

PRIVILEGE OF THE FLOOR

Mr. GRASSLEY. I ask unanimous consent that Lindsay Crawford, Carlo Moreno, Annabelle Bartsch, and Chris Levy, interns on the Democratic staff of the Senate Finance Committee, be granted floor privileges throughout the Senate debate on the budget resolution.

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

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Democratic leader, pursuant to Public Law 106–310, announces the appointment of the following individuals to serve as members of the Commission on Indian and Native Alaskan Health Care: Sara DeCoteau, of South Dakota and Carole Anne Heart, of South Dakota.

The PRESIDING OFFICER. The Chair, on behalf of the Democratic Leader, pursuant to Public Law 106–533, announces the appointment of the following Senators to serve as members of the Congressional Recognition for Excellence in Arts Education Awards Board: The Senator from Hawaii (Mr. AKAKA) and the Senator from South Dakota (Mr. JOHNSON).

NATIONAL MURDER AWARENESS DAY

Mr. DOMENICI. Mr. President, I ask unanimous consent the Judiciary Committee be discharged from further consideration of Senate Resolution 41, and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A Resolution (S. Res. 41) designating April 4, 2001, as ''National Murder Awareness Day.''

There being no objection, the Senate proceeded to the immediate consideration of the resolution.

Mr. SHELBY. Mr. President, S. Res. 41 designates April 4, 2001 as ''National Murder Awareness Day.'' In 1999 alone, 15,533 people were murdered in the United States according to FBI statistics. Murder affects not only the victims themselves, but it affects the lives of countless other family members and friends of victims. While murder rates have decreased from their record highs in the 1980s, further improvement is needed as the murder rate in 1999 was still 5.7 per 100,000 inhabitants—24 percent higher than the 1950 murder rate.

To help address the glaring murder problem in our country, I introduced the National Murder Awareness Day resolution with my colleague Senator SESSIONS. This resolution will raise awareness of the devastating impact murder has on our country. In addition, it recognizes the important role local communities can play in combating the thousands of senseless murders that occur each year.

The idea of devoting a day to raising murder awareness originated with Citizens Against Crime, a grassroots victim's rights organization located in Selma, Alabama. This group was successful in having the Alabama state legislature designate April 4, 2000 as Alabama's ''Murder Awareness Day.'' According to Citizens against Crime, this designation was overwhelmingly successful in mobilizing community resources to address the problem of violent crime in Alabama.

Mr. President, the murder problem in America is complex and will require concerted efforts by people and communities throughout our great country. The National Murder Awareness Day resolution reflects the importance of these efforts. I am pleased my colleagues joined me in passing this important resolution.

Mr. DOMENICI. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

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

The resolution (S. Res. 41) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 41

Whereas murder needlessly claims the lives of thousands of Americans each year;

Whereas murder has a devastating effect on the families of victims throughout the United States; and

Whereas local community awareness and involvement can help eliminate the incidences of murder: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 4, 2001 as ''National Murder Awareness Day''; and

(2) requests that the President issue a proclamation urging local communities throughout the United States to remember the victims of murder and carry out programs and activities to help eliminate the incidences of murder.

NATIONAL SHAKEN BABY SYNDROME AWARENESS WEEK

Mr. DOMENICI. Mr. President, I ask unanimous consent the Judiciary Committee be discharged from consideration of S. Res. 55, and the Senate proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 55) designating the third week in April as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 and all future years.

There being no objection, the Senate proceeded to consider the resolution.

AMENDMENT NO. 177

Mr. DOMENICI. Senator WELLSTONE has an amendment at the desk. I ask for its consideration and that the amendment be agreed to.

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

The amendment (No. 177) was agreed to, as follows:

On page 4, line 4 strike ''and all future years''.

Mr. DOMENICI. I ask unanimous consent the resolution, as amended, and the preamble be agreed to, the motion to reconsider be laid on the table, the amendment to the title which is at the desk be agreed to, and the motion to reconsider be laid on the table, all without intervening action.

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

The resolution (S. Res. 55), as amended, was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

[The resolution was not available for printing. It will appear in a future edition of the RECORD.]

The amendment (No. 178) was agreed to, as follows:

Amend the title as to read: Designating the third week of April as ''National Shaken Baby Syndrome Awareness Week'' for the Year 2001.

ORDERS FOR WEDNESDAY, APRIL 4, 2001

Mr. DOMENICI. Mr. President, on behalf of the leader, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9 a.m. on Wednesday, April 4. I further ask unanimous consent that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use at a later time in the day, and the Senate then resume consideration of H. Con. Res. 83, the budget resolution.

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

PROGRAM

Mr. DOMENICI. For the information of all Senators, I say on behalf of the leader, the Senate will resume consideration of the Grassley amendment No. 174, and the Johnson amendment No.

176, both regarding agriculture. By previous consent, the time between 9 and 10:30 a.m. will be equally divided with back-to-back votes to occur at 10:30 a.m. Following those votes, Senator HARKIN will be recognized to offer an amendment regarding education. Other amendments will be offered and therefore Senators should expect votes throughout the day.

I ask the ranking member, when will we be able to see the Harkin education amendment?

Mr. CONRAD. First thing in the morning.

Mr. DOMENICI. Just so we get to look at it during the debate in the morning.

Mr. CONRAD. We will be happy to provide it. We do not have a copy at this point ourselves.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. DOMENICI. If there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:22 p.m., adjourned until Wednesday, April 4, 2001, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate April 3, 2001:

DEPARTMENT OF TRANSPORTATION

DONNA R. MCLEAN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION, VICE PETER J. BASSO, JR., RESIGNED.

DEPARTMENT OF STATE

JAMES ANDREW KELLY, OF HAWAII, TO BE AN ASSISTANT SECRETARY OF STATE (EAST ASIAN AND PACIFIC AFFAIRS), VICE STANLEY O. ROTH.

RICHARD NATHAN HAASS, OF MARYLAND, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS DIRECTOR, POLICY PLANNING STAFF, DEPARTMENT OF STATE.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

STEPHEN GOLDSMITH, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING OCTOBER 6, 2005, VICE VICTOR H. ASHE, TERM EXPIRED.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U.S.C., SECTION 211:

To be lieutenant commander

PAULINE F COOK, 0000
PAUL A TITCOMBE, 0000

To be lieutenant

BENES Z ALDANA, 0000
JEFFREY M BROCKUS, 0000
ISMAEL CURET, 0000
MAUREEN R KALLGREN, 0000
STEVEN R KEEL, 0000
MICHAEL T MCGRATH, 0000
MARCEL L MUISE, 0000
FELICIA K RAYBON, 0000
KIN P SZETO, 0000
NAKEISHA B THOMAS, 0000

To be lieutenant (junior grade)

MARIA C ABUZEID, 0000
RICARDO M ALONSO, 0000
MARCUS J AKINS, 0000
DIRK N AMES, 0000
THOMAS B BAILEY, 0000
MICHAEL G BARTON, 0000
CHARLES E BASS, 0000
MICHAEL E BENNETT, 0000
KAILIE J BENSON, 0000
ELIZABETH A BOOKER, 0000
ANDREW T CAMPEN, 0000
MICHAEL S CAVALLARO, 0000
TEALI G COLEY, 0000
KATHERINE M COOCH, 0000
STEPHEN J CORY, 0000
GREGORY L CRETTOL, 0000
MARK A CUNNINGHAM, 0000
MELBURN R DAYTON, 0000
WILLIAM N DELUCA, 0000
JON A DIGIORGIO, 0000
BRIAN K DIVEN, 0000
PHYLLICIA L DIXON, 0000
TROY A DIXON, 0000
STEVEN J DOHMAN, 0000
CHRISTOPHER E DOUGHERTY, 0000
BRENT N DURBIN, 0000
REINO G ECKLORD, 0000
RICHARD C ENGELSTAD, 0000
PATRICK M FLYNN, 0000
CALVIN T FREELAND JR., 0000
GINA L FREEMAN, 0000
CHRISTOPHER R FRIESE, 0000
JEFFREY R FRYE, 0000
TYRON V GADSDEN, 0000
STEVEN M GARCIA, 0000
RILEY O GATEWOOD, 0000
TANYA L GILES, 0000
PETRE S GILLIAM, 0000
RICHARD GONZALEZ, 0000
KELSEY L GORMAN, 0000
MELISSA J HARPER, 0000
HEATH A HARTLEY, 0000
CHRISTOPHER P HOCHSCHILD, 0000
LINDA M HOERSTER, 0000
TANGELA F HUMMONS, 0000
THOMAS A JACOBSON, 0000
KAREN S JOHNSON, 0000
PETER B JONES, 0000
ANDREA KATSENES, 0000
BRIAN R KHEY, 0000
LONNIE T KISHIYAMA, 0000
JAMES B KNAPP, 0000
KURT R KUPERSMITH, 0000
ANDREW H LIGHT, 0000
SIMON A MAPLE, 0000
JOSEPH S MASTERSON, 0000
ELIZABETH A MCNAMARA, 0000
RANDY F MEADOR, 0000
DWAYNE L MEEKINS, 0000
MICHAEL B MENDOZA, 0000
MATTHEW W MERRIMAN, 0000
SANDRA J MIRACLE, 0000
DONALD P MONTORO JR., 0000
MARTIN J MUELLER, 0000
DAVID R NEEL, 0000
CRAIG D NEUBECKER, 0000
PETER S NILES II, 0000
KATHERINE M NILES, 0000
MICHELLE S OBRIENRIPLEY, 0000
MALCOLM L ORR, 0000
DIANE D PERRY, 0000
PETER A PIETRA, 0000
EDWARD H PORNER, 0000
CARMEN A PURTELL, 0000
JACOB J RAMOS, 0000
JASON H RAMSDELL, 0000
KEVIN B REED, 0000
ERIC A REETER, 0000
JAMES P REID, 0000
NICOLE R ROBERTSON, 0000
SEAN P ROCHE, 0000
BRENDA M RODERIG, 0000
CHRISTOPHER A ROSE, 0000
KATHRYN D RUCKER, 0000
CONSTANCE F RUCKSTUHL, 0000
ROSARIO M RUSSO, 0000
RUDOLPH D RUSSO, 0000
DAWN M SEWADE, 0000
DAN T SOMMA, 0000
EDWARD L SONGER, 0000
ALEXIS L TUNE, 0000
MICHAEL L TURNER, 0000
DANIEL W VANBUSKIRK JR., 0000
PAUL G VOGEL, 0000
STEVEN P WALSH, 0000
WILBORNE E WATSON, 0000
MOLLY A WIKE, 0000
SOLOMON J WILLIAMS, 0000
TERENCE J WILLIAMS, 0000
TARIK L WILLIAMS, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

STEVEN D. CAREY, 0000
LANCE E. ELLIOTT, 0000

To be lieutenant colonel

THOMAS E. LAMBERT, 0000

To be major

RICHARD R. LEMIEUX, 0000

In the Army

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

JOE L. SMOTHERS, 0000

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

LOUIS A. ABBENANTE, 0000
JAMES R. ANDERSON, 0000
STEVEN M. BALMER, 0000
MARGARET M. CAMERON, 0000
RANDALL L. CANTER, 0000
DAVID A. CARRIONBARALT, 0000
TIBOR J. LANCZY, 0000
FLOYD P. ROEHRICH JR., 0000
JAMES M. WILLIAMS, 0000

In the Marine Corps

THE FOLLOWING NAMED LIMITED DUTY OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

DENNIS G ADAMS, 0000
JACK V BUTLER JR., 0000
RICHARD W BYNO JR., 0000
JOSEPH A COPPOLA, 0000
NELLO E DACHMAN, 0000
DAVID W FISHER, 0000
PAUL P HARRIS, 0000
JERALD D HOLM, 0000
MICHAEL J LEWIS, 0000
JAMES R LOGAN, 0000
THOMAS P MCCABE, 0000
WILLIAM A MEZNARICH JR., 0000
THEODORE W MUELLER, 0000
MARVIN L RAHMAN, 0000
LAWRENCE R WOOLLEY, 0000

THE FOLLOWING NAMED LIMITED DUTY OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

CHARLES E BROWN, 0000
JACKIE O BYRD, 0000
BRIAN K COLBY, 0000
JAMES A CROFFIE, 0000
JOHN T CURRAN, 0000
EGBERT N DAWKINS, 0000
STEPHEN J DUBOIS, 0000
BRIAN A FISHER, 0000
ROBERT W GROSS, 0000
GREGORY B HARAHAN, 0000
RALPH P HARRIS III, 0000
JIMMY F HEGGINS JR., 0000
MARC C HOWELL, 0000
RANDALL D JOHNSON, 0000
THOMAS J JOHNSON, 0000
RICHARD D KULP, 0000
ARTHUR H LABREE, 0000
CARNELL LUCKETT, 0000
JORGE L MEDINA, 0000
RORY F MEEHAN, 0000
ALFRED G MOORE, 0000
WALTER C MURPHY JR., 0000
CHARLES T PARTON, 0000
STEPHEN V PENNINGTON, 0000
DAVID S PHILLIPS, 0000
ROBERT P ROBERSON II, 0000
ELLIOTT J ROWE, 0000
RONALD W SABLAN, 0000
KENNETH A STROUD, 0000
STEVEN C TAYLOR, 0000
PHILLIP R WAHLE, 0000
MICHAEL J WEBB, 0000
DANIEL R WESTPHAL, 0000

IN THE NAVY

THE FOLLOWING NAMED INDIVIDUAL FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVAL RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

DAVID C. BARTON, 0000

THE FOLLOWING NAMED OFFICER FOR TEMPORARY APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 5721:

To be lieutenant commander

JAMES W. HUDSON, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

SHEILA C. HECHT, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

PAUL R. FANEUF, 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 lieutenant commander

DANIEL L. BOWER, 0000
TEDMAN L. VANCE, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S. CODE, SECTION 531:

To be lieutenant

KYLE P. DURAND, 0000
JOSEPH J. ELDRED, 0000
PATRICK J. GIBBONS, 0000
SCOTT G. JOHNSON, 0000
JAMES E. LANDIS, 0000
SALVATORE M. MAIDA, 0000
JAMES A. OUELLETTE, 0000
MICHELLE M. PETTIT, 0000
JEFFREY J. TRUITT, 0000

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 531:

To be captain

EDUARDO C CUISON, 0000
PAUL S DROHAN, 0000
HAROLD A FRAZIER II, 0000
IGOR A JERCINOVICH, 0000
DOUGLAS H MCNEILL, 0000
JESUS A OLCESE, 0000
MARY E WASHBURN, 0000
RICHARD C YAGESH, 0000

To be commander

JOHN J LEE, 0000
LEE R MANDEL, 0000

To be lieutenant commander

GREGORY L ATCHASON, 0000
ANTHONY J CLAPP, 0000
JEFFREY J GRAY, 0000
DAVID E JONES, 0000
RICHELLE L KAY, 0000
LENORA C LANGLAIS, 0000
ROBERT K MCGAHA, 0000