The conference report was agreed to. Mr. BENNETT. Mr. President, I move to reconsider the vote. Mr. INHOFE. I move to lay that motion on the table. The motion to lay on the table was agreed to.

DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005—RESUMED

AMENDMENT NO. 2651

The PRESIDING OFFICER. It is now in order to consider the Conrad amendment. There is 2 minutes equally divided.

Mr. CONRAD. Mr. President, I ask unanimous consent that Senator BIDEN be added as a cosponsor.

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

Mr. CONRAD. Mr. President, the best argument made for my amendment, which is to restore fiscal responsibility, is the argument made by the chairman of the Budget Committee in 2002. Here is what he said:

The second budget discipline, which is pay-go, essentially says if you are going to add a new entitlement program, or you are going to cut taxes, you must offset that event so that it becomes a budget neutral event. If we don’t do this, if we don’t put back in place caps and pay-go, we will have no budget discipline, and as a result we will dramatically aggravate the deficit, which, of course, impacts a lot of important issues but especially impacts Social Security.

The budget chairman was right then. It is the right position now. Support the restoration of the budget discipline of pay-go.

The PRESIDING OFFICER. The Senate’s time has expired.

The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I was correct then, and that is why we put pay-go into this resolution. The budget resolution does have pay-go in it, and it is the appropriate approach to pay-go because it recognizes there is a difference between tax relief and raising spending. The other side of the aisle has always looked on people’s taxes as their money. We don’t look at it that way on this side of the aisle. We look at it as the people’s money, and they should be able to keep it. We should not have a rule that arbitrarily takes it from them.

For that reason, I oppose the amendment.

I make a point of order that the pending amendment is not germane before the Senate, and I raise a point of order under section 305 of the Budget Act.

Mr. CONRAD. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable section of the act for the consideration of the pending amendment.

I ask for the yeas and nays, and I ask my colleagues to support this budget discipline.

The PRESIDING OFFICER. Is there a sufficient second?

The PRESIDING OFFICER. The point of order is sustained and the pending amendment is not germane because it recognizes there is a difference between tax relief and raising spending, many of which I have pointed out. The chapter of budget reconciliation, which involves raising our country’s debt ceiling to almost $9 trillion, and it is still rising. Last year, for example, our national commitments exceeded our national resources by more than $550 billion. And we continue to borrow.

Some have argued that this first chapter of reconciliation is an effort to reduce the deficit. They tout the reductions in spending, many of which I would support. But later this month, the Senate will get to chapter two of reconciliation, which proposes further unfunded tax breaks and guarantees additional deficits and growing debt. So much debt, in fact, that the third chapter of budget reconciliation, which no one really wants to talk about, will involve raising our country’s debt ceiling to almost $9 trillion.

Americans deserve better financial leadership. The people I talk to in Illinois are not fooled by what is going on. They know what is happening with higher deficits and reduced levels of government service. They understand that, in this life, you get what you pay for and if you don’t pay for it today, it will cost you more tomorrow.

Washington could learn a lot from the American people about fiscal responsibility. The people I have met with know that if you need to spend more money on something, you also
need to make more money, and if your income falls, your spending must fall, too. This is the essence of the pay-go rules we are trying to reinvigorate in the Senate. Changes in spending must be offset by changes in revenue, and vice versa.

Americans know that when you are already deep in debt, it is not the optimal time to be gutting your revenue stream, whether it’s a few hundred dollars in the case of a family or a $70 billion tax break in the case of the Federal government.

They also understand the difference between a home mortgage, a student loan, a credit card debt for uninsured health care expenses, and an unpaid tab at the bar. They know that some debts are good investments or may be unavoidable. But some debts are irresponsible the result of spending more than you can afford on purchases you could postpone or do without.

The people I have met with know that cutting across the board cuts are neither fair nor responsible. Such cuts sound bold, but they represent a lack of leadership, not an example of it.

The family budget. You make choices that you do not respond to emergencies could postpone or do without.

Debts are good investments or may be loan, a credit card debt for uninsured between a home mortgage, a student

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stream, whether it

already deep in debt, it is not the opti-

income falls, your spending must fall,

The American people also know that the whole family must share in sacrifi-
ces. It is not right to pick on any one member of the family, or any one State in our Union. We are in this to-

gether. Singling out Alaska’s bridge projects or any one State’s earmarked funds is the wrong approach. If Congress is going to eliminate frivolous pork projects, as we should to support the gulf coast, let’s eliminate all of them, in all States, together.

Finally, the people I talk to under-

stand that when you have massive costs of the road, you need to prepare for them. There is no excuse for ignoring the financial consequences of foreseeable expenses whether it is the rising costs of health care, the re-

tirement of the baby boom generation, or the growing inequality of wealth in our society.

You don’t have to be a deficit hawk to be disturbed by the growing gap be-
tween revenues and expenses. This makes sense to people because the same principles that apply to any family apply to their family budgets as well. Americans are willing to share in the hard choices required to get us back on track, as long as they know that everyone is pulling their weight and doing their fair share.

That is why it is so important that we reinstate pay-go in a way that meaningfully enforces the budget disci-

bine both sides of the aisle need to honestly tackle our short-term and long-term fiscal challenges.

Mr. President, it is time for fiscal re-

ponsibility to return to Washington. Adult supervision must return to the budgeting process.

Pay-go provides a necessary tool at a necessary time. I urge my colleagues to

support this amendment.

The PRESIDING OFFICER. At this time there is 2 minutes on the Enzi amendment.

Mr. CONRAD. The Senate is not in order. The Senator deserves a chance to be heard.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ENZI. The Senator from Nevada.

Mr. ENZI. I hate to debate a second-degree amendment that has not yet been sent to the desk. Let me briefly de-

cribe it. My amendment addresses the concerns of the Orthodox Union, the Catholic Bishops, and the Council on American Private Education. My amendment simply establishes an indirect aid program for displaced private school students that meets all the con-

stitutional requirements without plac-
ing unworkable and unnecessary re-

strictions on private schools serving these displaced families. It enforces ac-

countability for the funds and, most important, delivers on the much-needed

relief to ensure the restart and oper-

ation of schools at all levels in the af-

ected areas.

The Solomon decision by the Su-

preme Court clarified that religious

schools which accept Government fund-

ing do not have to modify their teach-

ings and curricula in order to receive

Government funding so long as the

Government aid arrives at the school

b y virtue of an independent choice

made by the student and parent, and this amendment complies with that de-

cision and meets all of its constitu-

tional requirements.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ENZI. I hate to debate a second-degree amendment that has not yet been sent to the desk.

Mr. CONRAD. Could we have order, Madam President.

Mr. ENZI. At the appropriate point in time I will be raising the point of germaneness. This amendment shows the God-fearing knot we are trying to cut through so that they apply to the right things for the children of Katrina.

What we have is constitutional. We are not trying, in the amendment that will be up as the original amendment, to resolve vouchers. We are not trying to resolve faith-based initiatives. What we are trying to do is do the right thing to treat the kids of Katrina the right way, and in order to solve this it has to be a very bipartisan way because we also will have to overcome a point of germaneness.

I yield the remainder of my time to Senator KENNEDY.

Mr. KENNEDY. Madam President, we should not penalize the children of

Louisiana and the gulf, once by the storm and once by this amendment. This amendment does not have account-

ability. It allows Federal funds to be used for religious purposes. It guts the civil rights protections of our pro-

posal.

For the sake of the children and for the sake of the schools, I hope this amendment will be defeated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. Ensign] proposes amendment No. 2404 to amendment

ENZI, as modified.

Mr. ENZI. I ask unanimous con-

sent the reading of the amendment be dispensed with.

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

The amendment is printed in today’s RECORD under “Text of Amendments.”

Mr. ENZI. The pending amendment is not germane to the measure now before the Senate. I raise a point of order under section 305 of the Budget Act.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENZI. Pursuant to section 904(c) of the Congressional Budget Act of 1974, I move to waive section 305 of the Budget Act for the consideration of the Ensign second-degree amendment. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient sec-

d.

The yeas and nays were ordered, the PRESIDING OFFICER. The Sen-

ator from New Hampshire.

Mr. GREGG. Madam President, as I understand it, and I am not sure I un-

derstand it, I believe there is now still 2 minutes of debate available between the proponent of the second degree and the proponent in opposition. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. I presume Senator Enzi and Senator Ensign can continue their discussion.

Mr. KENNEDY. Madam President, will the Senator yield?

Is this the total time I thought we had a minute on each side on each amendment. Are we now debating the Enzi underlying amendment?

The PRESIDING OFFICER. There is 2 minutes on the second-degree amend-

ment, the Ensign amendment.

Mr. GREGG. Madam President, par-

ticularly important. And I ask unani-

mous consent that this time not be ap-

plied to the time relative to the debate that is available.
The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Hampshire.

Mr. GREGG. As I understand the situation, the 2 minutes of debate has already occurred on the Enzi amendment. We are under 2 minutes of debate on the second-degree amendment, which is the Ensign amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. After this amendment is debated, there will be a vote on the motion to waive the point of order made by Senator Enzi from Wyoming, the motion to waive being made by Senator Ensign relative to the second-degree amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Massachusetts.

Mr. KENNEDY. Parliamentary inquiry, Madam President: I thought we were having the 2 minutes prior to each vote just over the course of the day on these different amendments. It is my mistake because I thought we were just voting on the Ensign amendment, and then, when we disposed of that, we would have a vote up or down on the underlying amendment. But I guess that is not the way we are going to proceed.

Mr. GREGG. Madam President, if I may respond to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, I say to the Senator from Massachusetts, because there was a second degree, the way it worked out, the debate on the Enzi amendment occurred as part of that process. So the 2 minutes did occur. However, because this is the first exercise here in this undertaking, I would suggest that, after the Ensign amendment is disposed of, if it is favorably disposed of, that there won’t be 2 minutes, but if it is not favorably disposed of we would have another 2 minutes of debate on the Enzi amendment.

Mr. KENNEDY. I thank the chairman of the Budget Committee.

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

The Senator from Wyoming.

Mr. ENZI. Madam President, to clarify this, why would we have the debate on the overlying motion before we have the disposing motion? And then try to deny a debate on the overlying motion at the appropriate time?

I would ask the chairman and the ranking member to consider this process. It will save a lot of time if the person suggesting a second-degree amendment do the debate on the second-degree amendment. Did anybody here hear the debate on the first-degree amendment? That was debate on the second-degree amendment.

So now we are on the debate on the second-degree amendment. Now we ought to have the vote on the second-degree amendment, not another debate on the second-degree amendment and then go to the first-degree amendment without debate—or even with debate. If we are going to limit the time, we need to limit the time each time. And if somebody is going to do a second-degree amendment, they ought to do the disposing motion. If they want to do the second-degree amendment, face the vote on the second-degree amendment, and move on.

But you ought to get your time to debate your motion at the time of the vote on your motion, not an hour later.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. GREGG. Madam President, I think the Senator from Wyoming has made an excellent case. We will try to orchestrate it in that manner, should we get additional second degrees.

At this point, the debate for 2 minutes is on the second-degree amendment, and Senator Ensign has a minute, and whoever claims the opposition has a minute.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, as I understand it, Senator Enzi has made the point of order, has he not, on this amendment?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Wyoming.

Mr. ENZI. Parliamentary inquiry: Does that mean our debate on the second-degree amendment, and Senator Ensign has a minute, and whoever claims the opposition has a minute?

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, as the chairman of the committee has pointed out, we have reviewed and cleared this with constitutional authorities. This is an indirect way of providing help and assistance to the children. The alternative is effectively a voucher program. We have tried to stay clear from ideological fixes on this.

Let’s treat the children with respect and the schools with respect and in the manner in which we have treated these children. I hope the amendment will be defeated.

Mr. BINGAMAN. Madam President, I would like to talk about the Enzi-Kennedy amendment to S. 1932, the deficit reduction bill. We all want to do the right thing and help the hundreds of thousands of students displaced by Hurricane Katrina. Just a few weeks after the tragic events surrounding Hurricane Katrina, I came to the floor of the Senate and asked an amendment to the Commerce-Justice-State appropriations bill to assist students and schools impacted by Hurricane Katrina. I also cosponsored a bill with Senators Enzi and Kennedy, S. 1715, to assist schools and students impacted by Katrina. But I have tremendous concerns about the amendment before us today.

This amendment sets up an unworkable mechanism to assist displaced students attending private schools. It requires states to funnel Federal dollars to local school districts to establish private accounts to pay the tuition to private schools. In contrast, current

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law provides a reasonable mechanism for local school districts to assist students attending private schools, called equitable participation, without establishing a national voucher program. I support efforts to use equitable participation to assist private schools serving these displaced students. Unfortunately, this amendment fails to use this mechanism. At the same time, it establishes the first national voucher program. Accordingly, along with educators, school boards, principals, teacher unions, civil rights advocates, and faith-based organizations, I must oppose this provision.

Mr. REED. Madam President, while the Enzi-Kennedy amendment passed on a voice vote, I want the record to reflect my opposition to this amendment.

We have all seen the devastation of Hurricanes Katrina and Rita, and I certainly understand and share my colleagues’ desire to address the needs of displaced school children. Unfortunately, this amendment, which frankly is more than 2 months overdue, falls far short of the help needed for the affected families and public schools. It falls short financially, since it provides less funding than is needed to repair and fund our devastated public schools. It also fails short constitutionally by making payments to private religious schools on behalf of students who fled these hurricanes and are now attending such schools across the country.

Now, I understand that these hurricanes did not differentiate between public and private school students, and that we need to be able to provide some assistance for all students affected by them. However, this amendment is not the answer. As my colleagues are very well aware, we currently have a mechanism in current law to provide support to students in private schools. We do it every year under Title I and Title V of NCLB, and under IDEA.

These children should have been helped over 2 months ago with the funding mechanisms we already have in place. That is why this amendment is not about getting help to these students. This is about using these students’ needs as a pawn to further the Republican agenda of vouchers.

In addition, we are doing a disservice to families displaced by Hurricanes Katrina and Rita by not informing them that this assistance is just for this school year. No where in this legislation is there a requirement that parents be notified that this assistance is temporary and that it will not be renewed beyond August 2006. Instead of being fair to these parents by providing them with transparent information, this amendment fails to include a provision to notify parents that this assistance is time-limited. We have an obligation to inform parents receiving this aid that this funding is a one-time deal. Without clear language on this point, language which I suggested to the sponsors of the amendment, parents will have an unfounded expectation that this aid will be there next year and perhaps even for years to come. These families are settling down in new communities, and they may lack the resources, ability, or desire to go back to the Gulf Coast.

Or these students help families in their moment of need and distress. I understand my colleague, Senator LANDRIEU’s position on this matter, and her sincere desire to help her constituents. I too believe this assistance to both public and private, is important, needed, and appropriate. But this amendment could and should have been structured in a way that contains clear notification requirements and that mirrors current law.

This legislation is not the direction we should be heading. This legislation is a stalking horse for a national voucher program. At the same time, it provides less funding than is needed to repair and fund our devastated public schools. It provides very little accountabilty for the use of taxpayers’ funds and provides little or no enforcement of the civil rights protections that would exist if money were sent through existing funding mechanisms.

I want to thank Senators ENZI, ALEXANDER, KENNEDY, and DODD, because I know that they have worked very hard to improve this amendment, and I appreciate their efforts. I urge my colleagues to continue to work to address the concerns I have raised as this bill moves forward.

Mr. KOHL. Madam President, I support the Enzi amendment. This amendment would provide $1.6 billion in emergency funding to address the desperate funding needs of schools who have taken in displaced Katrina students and the schools that have been damaged or destroyed by the hurricanes.

Over 2 months ago, hundreds of thousands of children in the Gulf region were displaced from their homes, their communities, and their local schools. Neighboring communities have welcomed these students with open arms. It is only fair to provide school districts the funds necessary to educate and care for displaced students left in the wake of Hurricane Katrina.

I know some are concerned about funding for displaced students who are attending private schools. However, this amendment is carefully crafted to ensure that funding flows directly to school districts, much like similar provisions in Title I and special education. This program will not set up a national school voucher program. Rather, it simply ensures, as a temporary, one-time basis, that all students in need and schools that take them in have access to the relief they need. In this extraordinary circumstance, I believe that this provision takes a balanced approach, and we will continue to monitor its implementation.

It is my hope that my colleagues will join me in supporting the Enzi amendment, thereby supporting students who became displaced through no fault of their own.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll. Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result yeas and nays resulted—yeas 31, nays 68, as follows:

[Illustration]

The PRESIDING OFFICER. The question is on agreeing to the amendment. The amendment (No. 232), as modified, was agreed to.

Mr. GREGG. Madam President, the next amendment is the Enzi amendment. I ask that we move immediately to a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 232), as modified, was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

[Rollcall Vote No. 264 Leg.]
Mr. GREGG. Madam President, the next amendment is the Lincoln amendment. I ask unanimous consent that all votes on additional amendments be 10 minutes.

We are going to clarify the issue of second-degree amendments. The second-degree amendments that we just went through because, under the rule, all time has to expire on debate on the first degree before you can debate a second degree or offer it. That is why we had the confusion before. We are going to adjust that through this unanimous consent request.

I ask unanimous consent that for the purposes of today’s votes, all second-degree amendments must be offered prior to beginning the 2 minutes of debate on the underlying first-degree amendment. Before the Chair rules, as a clarification, this will now mandate that second-degree amendments must be offered before we begin the 2-minute debate on the first degree. We would then have 2 minutes of debate on the second-degree amendment, both in relationship to the second degree, and then have 2 minutes of debate on the first degree prior to the vote in relationship to that amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Reserving the right to object, I would say to Senators who are in the back of the Chamber, who are most interested in this question, this is a good time to hear what is being done to correct what occurred previously. What occurred previously was, under the rule, all time had to expire on the first-degree amendment before a second-degree amendment could be offered. Under the interpretation of the Chair, that included the 2 minutes of debate on the first-degree amendment.

Now what we are doing is modifying that through unanimous consent agreement so if someone offers a second degree, they have to offer it before the 2 minutes of debate on the first degree. Then we will be able to have 2 minutes of debate on the second degree, a vote on the second degree. Then, in consideration of the first degree, we will be able to have the 2 minutes of debate in conjunction with it. For the interest of our colleagues, that is what is being done.

We should take this moment, as well, to say to our colleagues, we have 35 amendments filed. That would take 12 hours, straight through. We have to get down to 6 o’clock, which would mean we would be in tomorrow for at least 4 hours. I ask our colleagues to show restraint on calling up amendments that have been filed. We have had a good debate on this matter. It has been an absolutely fair debate in terms of how we have been treated with respect to amendments being offered. We really don’t need to have 35 amendments offered to this measure. I urge my colleagues to show restraint.

I yield the floor. Mr. GREGG. I also renew my request that votes on additional amendments be 10-minute votes.

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

Mr. GREGG. The next amendment is that of Senator LINCOLN.

AMENDMENT NO. 2356, AS MODIFIED

The PRESIDING OFFICER. There is now 2 minutes of debate evenly divided on the Lincoln amendment.

The Senator from Arkansas.

Mrs. LINCOLN. Madam President, I modify my amendment with the language that is currently at the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of subtitle A of title VI, add the following:

CHAPTER 7—EMERGENCY HEALTH CARE AND OTHER RELIEF FOR SURVIVORS OF HURRICANE KATRINA

Subchapter A—Emergency Health Care Relief

SEC. 6891. DEFINITIONS.

In this subchapter:

(1) DIRECT IMPACT PARISH OR COUNTY.—

(A) IN GENERAL.—The term ‘‘direct impact parish or county’’ means a parish in the State of Louisiana, or a county in the State of Mississippi, Alabama, or Florida, that has suffered a major disaster and has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina, and which the President has determined, before September 14, 2005, warrants only public assistance from the Federal Government under such Act.

(B) EXCLUSION.—Such term does not include a parish in the State of Louisiana or a county in the State of Mississippi or Alabama which the President has determined warrants only public assistance from the Federal Government under such Act as a result of Hurricane Katrina.

(C) AUTHORITY TO RELY ON WEB SITE POSTED DESIGNATIONS.—The Secretary of Health and Human Services shall post on the Internet site for the Centers for Medicare & Medicaid Services a list of parishes and counties identified as direct impact parishes or counties in accordance with this paragraph. Any such parish or county that is posted on such Web site as a direct impact parish or county shall be treated for purposes of subparagraph (A) as described in such subparagraph.

(2) DRM ASSISTANCE.—The term ‘‘DRM assistance’’ means temporary, non-cash, emergency disaster relief health program established under section 6082 to assist Katrina Survivors in accordance with that section.

(3) DRM COVERAGE PERIOD.—

(A) IN GENERAL.—The term ‘‘DRM coverage period’’ means the period beginning on August 28, 2005, and, subject to subparagraph (B), ending on the date that is 5 months after August 28, 2005, had a primary residence in a direct impact parish or county.

(B) RESIDENTS AND EVACUEES OF DIRECT IMPACT PARISHES AND COUNTIES.—An individual who, on any day during the week preceding August 28, 2005, had a primary residence in a direct impact parish or county, and employment with an employer which conducted an active trade or business on August 28, 2005, in a direct impact parish or county, and respect to whom such trade or business is inexorable on any day after August 28, 2005, and before January 1, 2006, as a result of damage sustained in connection with Hurricane Katrina, is terminated.

(C) INDIVIDUALS WHO LOST EMPLOYMENT.—An individual whose—

(i) worksite, on any day during the week preceding August 28, 2005, was located in a direct impact parish or county; and

(ii) employment with an employer which conducted an active trade or business on August 28, 2005, in a direct impact parish or county, and respect to whom such trade or business is inexorable on any day after August 28, 2005, and before January 1, 2006, as a result of damage sustained in connection with Hurricane Katrina, is terminated.

(4) KATRINA SURVIVOR.—The term ‘‘Katrina Survivor’’ means an individual who is otherwise entitled to medical assistance under title XIX of the Social Security Act from being treated as a Katrina Survivor.

(5) POVERTY LINE.—The term ‘‘poverty line’’ has the meaning given that term in section 211(c)(6) of the Social Security Act (42 U.S.C. 1397(J)(c)(5)).

(6) SECRETARY.—The term ‘‘Secretary’’ means the Secretary of Health and Human Services.

(7) STATE.—The term ‘‘State’’ has the meaning given that term for purposes of title XXI of the Social Security Act (42 U.S.C. 1396 et seq.).

(8) STATE MEDICAID PLAN.—The term ‘‘State Medicaid plan’’ means the State plan or, subject to subparagraph (B), provides medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), including any medical assistance provided under a waiver of such plan.

(9) STATE DISASTER RELIEF MEDICAID.

(a) AUTHORITY TO PROVIDE DISASTER RELIEF MEDICAID.—

(1) IN GENERAL.—Notwithstanding any provision of title XIX of the Social Security Act, a State shall, as a condition of participation in the Medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), provide medical assistance to DRM-eligible Katrina Survivors (as defined in subsection (b)) under a State Medicaid plan during the DRM coverage period in accordance with the following provisions of this section.

(b) AUTHORITY TO PROVIDE DR M ASSISTANCE AS SEPARATE COMPONENT OF REGULAR STATE MEDICAID PLAN OR UNDER SUCH PLAN.—

(A) IN GENERAL.—A State may provide DRM assistance without submitting an amendment to the State Medicaid plan and as an additional component of the State Medicaid plan or, subject to subparagraph (B), under such plan.

(B) CONDITIONS FOR PROVISION OF DR M ASSISTANCE UNDER FEDERAL LAW.—A State may only provide DRM assistance under the State Medicaid plan if the

SEC. 6892. DISASTER RELIEF MEDICAID.

(a) AUTHORITY TO PROVIDE DISASTER RELIEF MEDICAID.—

(1) IN GENERAL.—Notwithstanding any provision of title XIX of the Social Security Act, a State shall, as a condition of participation in the Medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), provide medical assistance to DRM-eligible Katrina Survivors (as defined in subsection (b)) under a State Medicaid plan during the DRM coverage period in accordance with the following provisions of this section.

(b) AUTHORITY TO PROVIDE DR M ASSISTANCE AS SEPARATE COMPONENT OF REGULAR STATE MEDICAID PLAN OR UNDER SUCH PLAN.—

(A) IN GENERAL.—A State may provide DRM assistance without submitting an amendment to the State Medicaid plan and as an additional component of the State Medicaid plan or, subject to subparagraph (B), under such plan.

(B) CONDITIONS FOR PROVISION OF DR M ASSISTANCE UNDER FEDERAL LAW.—A State may only provide DRM assistance under the State Medicaid plan if the
State provides such assistance in accordance with the requirements of this section and the State is able to separately identify and report expenditures or other information attributable to the provision of such assistance.

(b) DRM-Eligible Katrina Survivor Defined.—

(1) In general.—In this section, the term ‘‘DRM-eligible Katrina Survivor’’ means a Katrina Survivor whose family income does not exceed the higher of—

(A) 100 percent (200 percent, in the case of such a Survivors in a state which does not operate a Medicaid plan) of the poverty line; or

(B) the income eligibility standard which would apply to the Survivor under the State Medicaid plan.

(2) Special rule for Katrina survivors who are recipients of disability insurance benefits.—In the case of a Katrina Survivor who is a recipient of disability insurance benefits under section 202 or 223 of the Social Security Act (42 U.S.C. 402, 423), paragraph (1) shall be applied to such Survivor by substituting ‘‘900 percent of the supplemental security income benefit rate established by section 416(i)(1) of the Social Security Act (42 U.S.C. 1320a(b)(1))’’ for subparagraph (A) of such paragraph.

(3) No resources, residency, or categorical eligibility requirements.—Eligibility under paragraph (1) shall be determined without application of any resources test, State residency, or categorical eligibility requirements.

(4) Income Determination.—

(A) Least restrictive income methodologies; prospective determination.—The State shall use the least restrictive methodology applied under the State Medicaid plan in accordance with subsection (2) of the Social Security Act (42 U.S.C. 1396a(r)(2)) in determining income eligibility for Katrina Survivor under paragraph (1) and shall determine family income for such Survivors only prospectively from the date of application.

(B) Disregard of unemployment compensation and disaster relief assistance.—In determining such income eligibility, the State shall disregard—

(i) any amount received under a law of the United States or of any State which is in the nature of unemployment compensation by a Katrina Survivor during the DRM coverage period, including unemployment assistance provided under title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5177); and

(ii) any amount received under subparagraph (A) of section 1122 of the Social Security Act (42 U.S.C. 1396r-5) for a period of presumptive eligibility under the State Medicaid plan.

(5) Definition of child.—For purposes of paragraph (1), a DRM-eligible Katrina Survivor shall be determined to be a ‘‘child’’ if such Survivor meets the definition of ‘‘child’’ under the State Medicaid plan.

(6) This subsection to be deemed to be DRM-eligible Katrina Survivors.—

(A) In general.—Upon submission of an application from an individual attesting that the individual described in any of the categories described in subparagraph (B), or, if an individual is an individual described in subparagraph (C), the State shall deem the individual to be a DRM-eligible Katrina Survivor for purposes of eligibility for DRM assistance during the DRM coverage period.

(B) Categories described.—For purposes of subparagraph (A), the categories described in this subparagraph are the following:

(i) Katrina survivors enrolled in a state Medicaid plan as of the beginning of the DRM coverage period.—Any Katrina Survivor who can provide proof of enrollment in a State Medicaid plan as of August 28, 2005.

(ii) Katrina survivors who are recipients of unemployment compensation.—Any Katrina Survivor who was a recipient of unemployment compensation during the DRM coverage period, is a recipient of an amount paid under a law of the United States or of a State which is in the nature of unemployment compensation, and who was enrolled in DRM assistance provided under section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5177).

(iii) Katrina survivors who are survivors of a natural disaster.—Any Katrina Survivor determined by another State to be a DRM-eligible Katrina Survivor under paragraph (1) shall be determined to be a DRM-eligible Katrina Survivor for purposes of determining eligibility for DRM assistance in that State and who relocates to the State during the DRM coverage period.

(C) Katrina survivors provided medical assistance prior to date of enactment.—

(i) In general.—An individual described in this subparagraph is any Katrina Survivor who provided medical assistance under a State Medicaid plan in accordance with guidance from the Secretary during the period that begins on August 28, 2005, and ends on the date of enactment.

(ii) Nonapplication to child health assistance.—In the case of an individual who is a Katrina Survivor who is provided child health assistance by the Secretary during the period described in clause (i), the Secretary shall not be deemed to be a DRM-eligible Katrina Survivor for purposes of receiving DRM assistance under this section. Nothing in this paragraph shall be construed to prohibit such an individual from submitting an application for DRM assistance.

(D) Eligibility Determination; No Continuation of Application.—

(i) Streamlined eligibility process.—The State shall use the following streamlined procedures in processing applications and determining eligibility for DRM assistance for DRM-eligible Katrina Survivors and eligibility for the payment of private health insurance premiums under section 107(b)(2)(A):

(A) One-page application.—A common one-page application form developed by the Secretary of Health and Human Services in consultation with the State Medicaid Directors. Such form shall—

(I) require an applicant to provide an expected address for the duration of the DRM coverage period.

(II) require the applicant to attest to the accuracy of the information in the application.

(III) require an applicant to provide information if it changes during such period;

(ii) methods for processing such applications—must be determined under guidance from the Secretary during the period described in clause (i), and shall not be determined under this section. Nothing in this paragraph shall be construed to prohibit such an individual from submitting an application for DRM assistance.

(E) Application for medical assistance in an another state.—

The State shall—

(i) provide assistance in accordance with subsection (d)(3)—in the case of a Katrina Survivor who relocates to the State during the DRM coverage period and, if applicable, no- tice that such termination date may be extended. If the Secretary extends the DRM coverage period, the State shall notify DRM-eligible Katrina Survivors enrolled in the State Medicaid plan of the new termination date for the DRM coverage period.

(ii) provide assistance under the regular state Medicaid plan.—In the case of a State that elects under subsection (a)(2) to provide DRM assistance under the State Medicaid plan, the State may provide assistance to an applicant under section 1920, 1920A, or 1920B of the Social Security Act (42 U.S.C. 1396b-1, 1396b-2, 1396b-3) in accordance with sub- section (c).

(iii) require the applicant to assign to the State any rights of the applicant (or any other person who is a DRM-eligible Katrina Survivor, if the applicant has the legal authority to execute an assign- ment of such rights) under any group health insurance plan.

(b) Medicaid eligible for the payment of private health insurance premiums under section 107(b)(2)(A) in accordance with this section (which are not available to individuals who are eligible for Medicaid assistance under the State Medicaid plan in accordance with guidance from the Secretary during the period described in clause (i),) and, if applicable, no- tice that such termination date may be extended. If the Secretary extends the DRM coverage period, the State shall notify DRM-eligible Katrina Survivors enrolled in the State Medicaid plan of the new termination date for the DRM coverage period.

(i) Application for medical assistance under the regular state Medicaid plan.—In the case of a State that provides for presumptive eligibility under the regular state Medicaid plan, the State shall—

(ii) provide assistance in accordance with subsection (d)(3)—in the case of a Katrina Survivor who relocates to the State during the DRM coverage period and, if applicable, no- tice that such termination date may be extended. If the Secretary extends the DRM coverage period, the State shall notify DRM-eligible Katrina Survivors enrolled in the State Medicaid plan of the new termination date for the DRM coverage period.

(c) Application for medical assistance provided under the regular state Medicaid plan.—In the case of a State that elects under subsection (a)(2) to provide DRM assistance under the State Medicaid plan, the State may provide assistance to an applicant under section 1920, 1920A, or 1920B of the Social Security Act (42 U.S.C. 1396b-1, 1396b-2, 1396b-3) in accordance with sub- section (c).

(d) Medicaid assistance provided under section 410 of the Social Security Act (42 U.S.C. 1396r-5) for a period of presumptive eligibility under the State Medicaid plan in accordance with guidance from the Secretary during the period described in clause (i), and, if applicable, no- tice that such termination date may be extended. If the Secretary extends the DRM coverage period, the State shall notify DRM-eligible Katrina Survivors enrolled in the State Medicaid plan of the new termination date for the DRM coverage period.

(3) Application for medical assistance provided under section 410 of the Social Security Act (42 U.S.C. 1396r-5) for a period of presumptive eligibility under the State Medicaid plan in accordance with guidance from the Secretary during the period described in clause (i), and, if applicable, no- tice that such termination date may be extended. If the Secretary extends the DRM coverage period, the State shall notify DRM-eligible Katrina Survivors enrolled in the State Medicaid plan of the new termination date for the DRM coverage period.

(4) Application for medical assistance under the regular state Medicaid plan.—In the case of a State that elects under subsection (a)(2) to provide DRM assistance under the State Medicaid plan, the State may provide assistance to an applicant under section 1920, 1920A, or 1920B of the Social Security Act (42 U.S.C. 1396b-1, 1396b-2, 1396b-3) in accordance with sub- section (c).

(5) Application for medical assistance provided under section 410 of the Social Security Act (42 U.S.C. 1396r-5) for a period of presumptive eligibility under the State Medicaid plan in accordance with guidance from the Secretary during the period described in clause (i), and, if applicable, no- tice that such termination date may be extended. If the Secretary extends the DRM coverage period, the State shall notify DRM-eligible Katrina Survivors enrolled in the State Medicaid plan of the new termination date for the DRM coverage period.
by the State to make presumptive determinations in accordance with clause (1) with respect to eligibility for such assistance, but only if—

(i) the State elects to provide for a period of presumptive eligibility for such assistance for all Katrina Survivors who may be DRM-eligible Katrina Survivors in accordance with section 1902(b)(2) of such Act; and

(ii) the qualified providers designated by the State to make determinations of presumptive eligibility for such assistance, at a minimum of facilities providing care in accordance with section 1902(a)(55) of the Social Security Act (42 U.S.C. 1396a(a)(55)) that are qualified providers under section 1902(b)(2) of such Act.

(G) CONTINUOUS ELIGIBILITY.—Continuous eligibility, without the need for any redetermination of eligibility, for the duration of the DRM coverage period.

(2) NO CONTINUATION OF DRM ASSISTANCE.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), no DRM assistance shall be provided after the end of the DRM coverage period.

(B) PRESUMPTIVE ELIGIBILITY FOR MEDICAL ASSISTANCE UNDER REGULAR MEDICAID PLAN.

(i) IN GENERAL.—If a State, as of the date of enactment of this Act, provides for a period of presumptive eligibility for medical assistance under the State Medicaid plan in accordance with section 1902, 1920, or 1920B of the Social Security Act (42 U.S.C. 1396v–1, 1396o, 1396o–1), the State shall provide DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section and who, as of the end of the DRM coverage period, is an individual for whom a period of presumptive eligibility would be provided under the State Medicaid plan, with presumptive eligibility for medical assistance under the State Medicaid plan.

(ii) STATE OPTION TO PROVIDE PRESumptive ELIGIBILITY.—If a State is a State to which clause (i) does not apply, the State may elect to provide for a period of presumptive eligibility for medical assistance under the State Medicaid plan for DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section and who, as of the end of the DRM coverage period, is an individual for whom a period of presumptive eligibility would be provided under the State Medicaid plan, with presumptive eligibility for medical assistance under the State Medicaid plan.

(C) STATE OPTION FOR ALL STATES TO PROVIDE Presumptive ELigibility to Certain Populations of DRM-ELIGIBLE KATRINA SURVIVORS.—In addition to the populations of DRM-eligible Katrina Survivors described in clause (i) or (ii) of this paragraph, the State to which clause (i) or (ii) applies, may elect to provide for a period of presumptive eligibility for medical assistance under the State Medicaid plan for other populations of DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section as of the end of the DRM coverage period.

(iv) LENGTH OF PERIOD.—A presumptive eligibility period provided in accordance with clause (i), (ii), or (iii) shall be provided until the earlier of—

(I) the date on which a determination with respect to the Survivor’s application for medical assistance under the State Medicaid plan is made; or

(II) the end of the 60-day period that begins on the first day after the end of the DRM coverage period.

(D) PREGNANT WOMEN.—The case of a DRM-eligible Katrina Survivor who is receiving DRM assistance from a State in accordance with this section and whose pregnancy ended during the 60-day period prior to the end of the DRM coverage period, or who is pregnant as of the end of such period, such Survivor shall continue to be eligible for DRM assistance under the State Medicaid plan, with presumptive eligibility for the duration of the DRM coverage period, including (but not limited to) for all pregnancy-related and postpartum medical assistance available under the State Medicaid plan in accordance with this section and who, as of the end of such period, is an individual for whom a period of presumptive eligibility would have been provided under the State Medicaid plan otherwise applicable under such plan, and who, as of the last day of the month in which the 60-day period (beginning on the last day of her pregnancy) ends, is pregnant and continues to be eligible for medical assistance under the State Medicaid plan, with presumptive eligibility for the duration of the 60-day period, without the need for any redetermination of eligibility, except as provided in clause (ii).

(E) SCOPE OF BENEFITS.—

(1) CATEGORICALLY NECESSARY BENEFITS.—The State shall treat a DRM-eligible Katrina Survivor as an individual eligible for medical assistance under the State Medicaid plan, through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends.

(2) COVERAGE APPLICABLE UNDER SUCH PLAN.—The State may provide medical assistance under the State Medicaid plan that is otherwise applicable under such plan with respect to eligibility for such assistance retroactive to items and services furnished on or after August 28, 2005 (or in the case of applications for DRM assistance submitted after January 1, 2006, the first day of the 5th month preceeding the date on which such application is submitted).

(2) EXTENDED MENTAL HEALTH AND CARE COORDINATION BENEFITS.—The State may provide, without regard to any restrictions on amount, duration, and scope, comparability, or restrictions otherwise applicable under the State Medicaid plan (other than restrictions applicable under such plan with respect to services provided in an institution for mental diseases, in-patient mental health care, or restrictions otherwise applicable under the State Medicaid plan with respect to services provided in an institution for mental diseases, in-patient mental health care.

(A) Screening, assessment, and diagnostic services (including specialized assessments for individuals with cognitive impairments).

(B) Coverage for a full range of mental health services, including those applicable to services provided in an institution for mental diseases, in-patient mental health care.

(C) Treatment of alcohol and substance abuse.

(D) Psychotherapy, rehabilitation, and other treatments administered by psychiatrists, psychologists, or social workers.

(E) Subject to restrictions applicable under the State Medicaid plan with respect to services provided to individuals who are receiving DRM assistance submitted after January 1, 2006, the first day of the 5th month preceding the date on which such application is submitted.

(F) Family counseling.

(G) In connection with the provision of home and community-based services, arranging for, and (when necessary, enrollment in waiver programs or other specialized programs), and coordination related to, primary care and health care, which may include personal care services, durable medical equipment and supplies, assistive technology, and transportation.

(3) HOME AND COMMUNITY-BASED SERVICES.—

(A) IN GENERAL.—In the case of a State with a waiver to provide home and community-based services granted under section 1915(k) of the Act, the State may provide such services under such waiver.

(B) INDIVIDUALS DESCRIBED.—Individuals described in this subparagraph are individuals who—

(I) are receiving DRM assistance from the State in accordance with this section and whose application for such assistance, if the State were to provide such assistance, would have been approved.

(II) have been approved for DRM assistance in accordance with this section as of the end of the 4th month (and, if applicable, 9th month) of the month preceding the date on which such application for such assistance was made; and

(III) are receiving services from a primary family caregiver who, as a result of Hurricane Katrina, is no longer available to provide services; or

(IV) have been receiving support services from a primary family caregiver or other caregiver who, as a result of Hurricane Katrina, is no longer available to provide services.

(3) APPLICATION ASSISTANCE.

(A) NOTICE OF EXPECTED TERMINATION OF DRM COVERAGE PERIOD.—A State shall provide to DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section, as of the beginning of the 4th month (and, if applicable, 9th month) of the DRM coverage period, notices of the expected termination date of such assistance and instructions for obtaining assistance from the State in accordance with subsection (c) or (d) of section 1915(e)(4) of the Social Security Act (42 U.S.C. 1396a(e)(4)). The Federal medical assistance percentage applicable to the State Medicaid plan shall apply to assistance provided to a child under such plan in accordance with the preceding sentence.

(B) INFORMATION REGARDING ELIGIBILITY FOR MEDICAL ASSISTANCE UNDER THE STATE MEDICAID PLAN.—The State Medicaid plan shall provide to the Survivor, in a direct impact parish or county, in which the 60-day period (beginning on the last day of her pregnancy) ends, the following reports:

(I) the number of individuals who shall receive home or community-based services under such a waivered described in subparagraph (A);

(ii) budget neutrality requirements applicable to such waiver; and

(iii) targeted populations eligible for services under such waiver.

The Secretary may waive other restrictions applicable under such a waiver, that would prevent a State from providing home and community-based services in accordance with this paragraph.

(4) CHILDREN BORN TO PREGNANT WOMEN.—In the case of a child born to a DRM-eligible Katrina Survivor who is provided DRM assistance during the DRM coverage period, such child shall be treated as having been born to a pregnant woman eligible for medical assistance under the State Medicaid plan and shall be eligible for medical assistance under such plan in accordance with section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)) with coverage for such assistance retroactive to items and services furnished on or after August 28, 2005 (or in the case of applications for DRM assistance submitted after January 1, 2006, the first day of the 5th month preceding the date on which such application is submitted).

(F) TERMINATION OF COVERAGE; ASSISTANCE WITH APPLING FOR REGULAR MEDICAID COVERAGE.—

(1) NOTICE OF TERMINATION OF DRM COVERAGE PERIOD.—A State shall provide to a DRM-eligible Katrina Survivor who is receiving DRM assistance from the State in accordance with this section, as of the beginning of the 4th month (and, if applicable, 9th month) of the DRM coverage period, notices of the expected termination date of such assistance and instructions for obtaining assistance from the State in accordance with subsection (c) or (d) of section 1915(e)(4) of the Social Security Act (42 U.S.C. 1396a(e)(4)). The Federal medical assistance percentage applicable to the State Medicaid plan shall apply to assistance provided to a child under such plan in accordance with the preceding sentence.

(2) APPLICATION ASSISTANCE.—A State shall provide to DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section with assistance in applying for medical assistance under the State Medicaid plan for periods beginning after the end of the DRM coverage period, at State Medicaid offices and at locations easily accessible to such Survivors.

(3) STATE REPORTS.—A State providing DRM assistance in accordance with this section shall submit to the Secretary the following reports:

(A) TERMINATION AND TRANSITION ASSISTANCE REPORT.—A State providing DRM assistance under this Act in accordance with this section is eligible for such assistance.—Not later than the
under section 2104 of such Act (42 U.S.C. 1396b(u)). (b) APPLICATION OF ERROR RATE PENALTIES FOR PRESUMPTIVE ELIGIBILITY PERIODS FOR MEDICAL ASSISTANCE AFTER THE END OF THE DRM COVERAGE PERIOD.—The rules for application of such section under the State Medicaid plan as applied without regard to the provision of medical assistance for any period of presumptive eligibility for such assistance in accordance with subsection (c)(1)(P), shall be disregarded for purposes of section 1903(a) of the Social Security Act (42 U.S.C. 1396b(u)).

(2) APPLICATION OF ERROR RATE PENALTIES FOR PRESUMPTIVE ELIGIBILITY PERIODS FOR MEDICAL ASSISTANCE AFTER THE END OF THE DRM COVERAGE PERIOD.—The rules for application of such section under the State Medicaid plan as applied with respect to any period of presumptive eligibility for medical assistance under such plan provided by a State in accordance with subsection (c)(2)(B), shall apply with respect to any period of presumptive eligibility for medical assistance under such plan provided by a State in accordance with this section.

(3) PROVIDER PAYMENT RATES.—In the case of any DRM assistance provided in accordance with this section, the Federal government shall pay a provider of such assistance the same payment rate as the State would otherwise pay for the assistance if the assistance were provided to an individual who is a DRM-eligible Katrina Survivor under a State Medicaid plan in accordance with this section.

(c) any payments that were made to a State for the provision of such assistance prior to such date of enactment, shall be disregarded for purposes of determining the unexpended amount of any allotment available for expenditure by the State under that section.

(4) DISREGARD OF PAYMENTS.—Payments provided to a State in accordance with this subsection shall be disregarded for purposes of applying subsections (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1398).

(5) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is a DRM-eligible Katrina Survivor during the DRM coverage period, shall be treated as a DRM survivor under the end of the DRM coverage period are processed in a timely and appropriate manner.

(5) NO PRIVATE RIGHT OF ACTION AGAINST A STATE MEDICAID AGENCY FOR THE STATE TO PROVIDE NOTICE.—No private right of action shall be brought against a State for failure to provide the notices required under paragraph (1) or subsection (b) of this section as the State makes a good faith effort to provide such notices.

(f) 100 PERCENT FEDERAL MATCHING PAYMENTS.—(1) IN GENERAL.—Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396b(b), the Federal medical assistance percentage shall be 100 percent for DRMs of such Act (42 U.S.C. 1396b(a)) shall be 100 percent for paying for such administrative activities that are not attributable to all administrative activities that relate to the provision of such child health assistance, shall be 100 percent;

(A) notwithstanding section 205(b) of the Social Security Act (42 U.S.C. 1397ee(b)), the Federal matching rate for providing such child health assistance under a State child health plan shall be 100 percent;

(B) any State for the provision of such assistance shall not be considered to be payments from an allotment for the State under section 2104 of such Act (42 U.S.C. 1396b(b),); and

(C) any payments that were made to a State for the provision of such assistance to a Katrina Survivor during the DRM coverage period shall be considered to be payments from an allotment for the State under section 2104 of such Act (42 U.S.C. 1396b(b),); and

(D) any payments that were made to a Katrina Survivor during the DRM coverage period shall be treated as a DRM survivor under the end of the DRM coverage period are processed in a timely and appropriate manner.

(2) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is a DRM-eligible Katrina Survivor during the DRM coverage period, shall be treated as a DRM survivor under the end of the DRM coverage period are processed in a timely and appropriate manner.

(5) NO PRIVATE RIGHT OF ACTION AGAINST A STATE MEDICAID AGENCY FOR THE STATE TO PROVIDE NOTICE.—No private right of action shall be brought against a State for failure to provide the notices required under paragraph (1) or subsection (b) of this section as the State makes a good faith effort to provide such notices.

(f) 100 PERCENT FEDERAL MATCHING PAYMENTS.—(1) IN GENERAL.—Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396b(b), the Federal medical assistance percentage shall be 100 percent for payments from an allotment for the State Medicaid plan from a Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period—

(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT.—(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.

(b) IN GENERAL.—Any payments provided to a State for the provision of such assistance to an individual who is a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan as applied without regard to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period.
defined in subsection (c), and for costs directly attributable to all administrative activities that relate to the provision of such medical assistance, shall be 100 percent.

(2) W RITTEN PLAN ON TRANSITION OF CERTAIN FULL-BENEFIT DUAL ELIGIBLE INDIVIDUALS TO PRESCRIPTION DRUG COVERAGE UNDER MEDICARE PART D.—(a) USE OF AMOUNTS IN FUND.—During the DRM coverage period, the States of Louisiana, Mississippi, and Alabama shall not be required to conduct eligibility redeterminations under the State’s Medicaid plan.

(b) MAJOR DISASTER PARISH OR COUNTY DEFINED.—For purposes of subsection (a), a major disaster parish or county is a parish of the State of Louisiana or a county of the State of Mississippi or Alabama for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina and which the President has determined must, as of September 14, 2005, warrants individual or public assistance from the Federal Government under such Act.

SEC. 6084. AUTHORITY TO WAIVE REQUIREMENTS DURING NATIONAL EMERGENCY OR WITH RESPECT TO EVACUATES FROM AN EMERGENCY AREA.

(a) In General.—Section 1395(g)(1) of the Social Security Act (42 U.S.C. 1320b-5(g)(1)) is amended by adding at the end the following:

“Any geographical area in which the Secretary determines there are a significant number of evacuees from an area that is considered to be an emergency area under the preceding sentence shall be considered to be an ‘emergency area’ for purposes of this section.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if enacted on August 28, 2005.

SEC. 6085. EMERGENCY ASSISTANCE FOR STATES WITH SIGNIFICANT NUMBERS OF EVACUATES WITH RESPECT TO THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE FOR FISCAL YEAR 2006.

(a) In General.—If the Federal medical assistance percentage (as defined in section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396d(b))) determined for a State in fiscal year 2006 is less than the Federal medical assistance percentage determined for such State for fiscal year 2005, the Federal medical assistance percentage for the State for fiscal year 2005 shall apply to the State for fiscal year 2006 for purposes of section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.).

(b) STATE DESCRIBED.—For purposes of subsection (a), a State described in this section is a State that, as of September 30, 2005, is hosting at least 10,000 Katrina survivors described in section 6081(e)(A), as determined on the basis of Federal Emergency Management Authority data.

SEC. 6086. EMERGENCY ASSISTANCE TO MEDICAID BENEFICIARIES.

(a) EXCLUSION OF CLOSURE PERIOD IN COMPUTING MEDICAID PART B LATE ENROLLMENT PERIOD.—In applying the first sentence of section 1839(b) of the Social Security Act (42 U.S.C. 1395w-2(b)(1)), in the case of an individual who, on any day during the period preceding August 28, 2005, had a residence in a direct impact parish or county, there shall not be taken into account any month any part of which is within the DRM coverage period.

(b) WRITTEN PLAN ON TRANSITION OF CERTAIN FULL-BENEFIT DUAL ELIGIBLE INDIVIDUALS TO PRESCRIPTION DRUG COVERAGE UNDER MEDICARE PART D.—(1) IN GENERAL.—Notwithstanding section 2105(b) of the Social Security Act (42 U.S.C. 1397f(b)), for items and services furnished during the period preceding August 28, 2005 in behalf of individuals federal matching rate for providing child health assistance for such items and services under a State child health plan in a major disaster parish or county for costs directly attributable to all administrative activities that relate to the provision of such child health assistance, shall be 100 percent.

(2) REIMBURSEMENT LIMITATIONS.—During the DRM coverage period, the States of Louisiana, Mississippi, and Alabama shall not be required to conduct eligibility redeterminations under the State’s Medicaid plan.

SEC. 6087. RELIEF FOR HOSPITALS LOCATED IN A DIRECT IMPACT PARISH OR COUNTY.

(a) INCREASE IN MEDICARE PAYMENTS TO HOSPITALS FOR BAD DEBT.—During the DRM coverage period, section 1861B(v)(1)(C)(iv) of the Social Security Act (42 U.S.C. 1395ww(v)(1)(C)(iv)) shall be applied by substituting “0 percent” for “30 percent” with respect to:

(1) a hospital located in a direct impact parish or county; and

(2) any other hospital, but only to the extent that the bad debt is related to items and services furnished to an individual who, on any day during the week preceding August 28, 2005, had a residence in a direct impact parish or county.

(b) WAIVER OF CERTAIN MEDICARE QUALITY REPORTING REQUIREMENTS FOR HOSPITALS.—During the DRM coverage period, section 1864B(b)(3)(B)(vii) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(vii)) shall not apply to a hospital that is located in a direct impact parish or county.

SEC. 6088. DISASTER RELIEF FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States the Disaster Relief Fund (in this section referred to as the “Fund”) which—

(1) shall be administered by the Secretary; and

(2) shall consist of amounts made available under subsection (b).

(b) USE OF AMOUNTS IN FUND.—Amounts in the Fund shall be used by the Secretary for the following:

(1) PAYMENTS TO PROVIDERS.—The Secretary shall make payments directly to Medicaid providers described in subsection (e) to offset the costs incurred by such providers as a result of Hurricane Katrina.

(2) PAYMENTS FOR PRIVATE HEALTH INSURANCE COVERAGE.—The Secretary shall make payments to State insurance commissioners for the purpose of making payments to health insurance issuers—

(A) on behalf of individuals that would otherwise be eligible for DRM assistance from the State under section 6082 but for subsection (n) of such section for such individual’s share of their health insurance premium; and

(B) on behalf of individuals for the employer share of their employee’s health insurance premiums, but only with respect to the days on which the employer meets the definition under subsection (f).

(c) RULES FOR PAYMENTS TO PROVIDERS.—

(1) CONSULTATION.—In making payments to Medicaid providers under subsection (b)(1), the Secretary shall make payments to providers with the greatest need of such payments.

(2) PRIORITY.—In making payments to Medicaid providers under subsection (b)(1), the Secretary shall give priority to community-based hospitals, physician practices, and other providers located in a direct impact parish or county for which the health care infrastructure was destroyed.

(3) DESCRIPTION OF NEED AND HOW FUNDING WILL BE USED.—In order for a Medicaid provider to be eligible for a payment under subsection (b)(1), the individual shall provide the Secretary with a description of the need for the funding and how the funding will be used.

(4) TIMING FOR FIRST PAYMENT.—The first payment to Medicaid providers under subsection (b)(1) shall be made by not later than 10 days after the date of enactment of this Act.

(d) RULES FOR PAYMENTS ON BEHALF OF INDIVIDUALS FOR PRIVATE HEALTH INSURANCE.—

(1) STREAMLINED ELIGIBILITY PROCESS.—In making payments on behalf of individuals under subsection (b)(2)(A), the Secretary shall use the streamlined eligibility process under section 6082(c)(1).

(2) NO PAYMENTS IF THE INDIVIDUAL IS RECEIVING DRM ASSISTANCE.—No payments may be made on behalf of an individual under subsection (b)(2)(A) with respect to any period in which the individual is receiving DRM assistance from a State under section 6082.

(e) MEDICAID PROVIDERS DESCRIBED.—For purposes of subsection (b)(1), Medicaid providers described in this subsection are—

(1) any provider under such title, including a supplier of medical assistance consisting of durable medical equipment (as defined in section 1851(b)(1)(A) of the Social Security Act (42 U.S.C. 1395nn(b)(1))), that, during a period after August 28, 2005, as determined by the Secretary—

(A) experiences a significant drop, as determined by the Secretary, in their patient caseload; or

(B) experiences a significant drop, as determined by the Secretary, in their patient caseload, including such a provider that is temporarily closed during such period; and

(2) any other provider under such title, including such a supplier, determined appropriate by the Secretary.

(f) QUALIFIED EMPLOYER DEFINED.—For purposes of subsection (b)(2)(B), the term “qualified employer” means any employer—

(1) which conducted an active trade or business on August 28, 2005, in a direct impact parish or county; and

(2) with respect to which the trade or business as described in paragraph (1) is

(A) inoperable on any day during the DRM coverage period as a result of damage sustained in connection with Hurricane Katrina; or

(B) is not paying salary or benefits to employees on any day during the DRM coverage period.
period as a result of damage sustained in connection with Hurricane Katrina.

(g) EXPEDITING IMPLEMENTATION.—The Secretary shall promulgate regulations to carry out this section which may be effective and final immediately on an interim basis as of the date of publication of the interim final regulation. If the Secretary provides for an interim final regulation, the Secretary shall provide for a period of public comments on such regulation after the date of publication. The Secretary may change or revise such regulation after completion of the period of public comment.

(b) APPLICATION.—Out of any money in the Treasury not otherwise appropriated, there is appropriated to the Fund $300,000,000 for fiscal year 2005, to remain available until expended.

(i) APPLICATION OF APPROPRIATIONS FUNDING PROVISIONS.—Amounts provided in this section for making payments to Medicaid providers under subsection (b)(1) shall be governed by the terms of division F of the Consolidated Appropriations Act, 2005 (Public Law 108–447, 118 Stat. 3112) (or succeeding appropriations measures for a fiscal year) that apply to funding for Grants to States for Medicaid under Title XIX of the Social Security Act.

SEC. 6089. NONAPPLICATION OF CERTAIN PROVIDER RESPONSIBILITIES

Notwithstanding any other provision of this Act, this Act shall be applied without regard to subsections (a) and (b) of section 6032.

Subchapter B—TANF Relief

SEC. 6090. REIMBURSEMENT OF STATES FOR TANF BENEFITS PROVIDED TO ASSIST FAMILIES OF STATES AFFECTED BY HURRICANE KATRINA

(a) IN GENERAL.—Section 3 of the TANF Emergency and Recovery Act of 2005 is amended to read as follows:

‘‘SEC. 3. REIMBURSEMENT OF STATES FOR TANF BENEFITS PROVIDED TO ASSIST FAMILIES OF STATES AFFECTED BY HURRICANE KATRINA.

‘‘(a) ELIGIBILITY FOR PAYMENTS FROM FEDERAL FUNDS.—In this section, the term ‘federal funds’ includes amounts paid to a State under that subchapter for Medicaid under Title XIX of the Social Security Act.

‘‘(b) MONTHLY PAYMENTS.—Notwithstanding paragraph (3)(C)(1) of section 603 of the Social Security Act (42 U.S.C. 603), and in addition to any other amounts provided under that subsection, the total amount paid during a month to a State under this section shall not exceed the following:

(1) Direct Impact States.—In the case of a State described in subsection (a)(2), such amount shall not exceed ½ of 20 percent of the State family assistance grant.

(2) Retroactive Effective Date.—In the case of a State described in subsection (a)(3), such amount shall not exceed the lesser of—

(A) the total amount of Hurricane Katrina Emergency TANF Benefits (as defined in section 6(c)(1)) provided by the State to families described in subsection (a)(3); or

(B) ½ of 20 percent of the State family assistance grant.

(3) No State Match or Maintenance of Effort Required.—Sections 403(b)(6) and 603(b)(13) of the Social Security Act (42 U.S.C. 603(b)(6), 609(a)(10)) shall not apply with respect to a payment made to a State by reason of this section.

(4) Definition of the Extent Necessary to Ensure That States Will Be Able to Access the Contingency Fund.—For the period described in subsection (a)(1), paragraph (2) of section 409 of the Social Security Act (42 U.S.C. 609) shall be applied without regard to the limitation on the total amount specified in such paragraph and any carryover amounts to such paragraph shall be available for payments authorized under this section and under such subsection (b).

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

SEC. 6091. INCREASE IN AMOUNT OF ADDITIONAL TANF FUNDS AVAILABLE FOR HURRICANE-DAMAGED STATES

(a) IN GENERAL.—Section 4 of the TANF Emergency Response and Recovery Act of 2005 is amended to read as follows:

‘‘SEC. 4. INCREASE IN AMOUNT OF ADDITIONAL TANF FUNDS AVAILABLE FOR HURRICANE-DAMAGED STATES.

‘‘(a) IN GENERAL.—During the period described in paragraph (1)(a)(1), by inserting ‘‘at any time during or after the period described in section 3(a)(1)’’ after ‘‘may not be imposed’’.

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

SEC. 6092. RULES FOR RECEIPT OF HURRICANE KATRINA EMERGENCY TANF BENEFITS AND APPLICATION TO CHILD SUPPORT REQUIREMENTS

(a) IN GENERAL.—Section 6 of the TANF Emergency Response and Recovery Act of 2005 is amended to read as follows:

‘‘SEC. 6. RULES FOR RECEIPT OF HURRICANE KATRINA EMERGENCY TANF BENEFITS AND APPLICATION TO CHILD SUPPORT REQUIREMENTS.

‘‘(a) IN GENERAL.—During the period described in section 3(a)(1), a State described in paragraph (2) or (3) of section 3(a) or an Indian tribe with a tribal family assistance plan approved under section 412 of the Social Security Act (42 U.S.C. 612) may provide Hurricane Katrina Emergency TANF Benefits under the State or tribal program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

‘‘(b) CUSTODIAN OF RECORD.—(1) IN GENERAL.—Hurricane Katrina Emergency TANF Benefits shall not be considered assistance for purposes of sections 407, paragraph (3)(C)(1) of section 603 of the Social Security Act (42 U.S.C. 603, 411, or section 454(29) of the Social Security Act (42 U.S.C. 607, 608(a), 611, 654(29)).

‘‘(2) LIMITED WAIVER OF RULES UNDER SECTION 454(4A)(1).—

(A) IN GENERAL.—Subject to subparagraph (B), such benefits shall not be considered assistance for purposes of section 454(4A)(1) of such Act (42 U.S.C. 654(4A)(1)).

(B) EXCEPTION FOR FAMILIES ALREADY RECEIVING CHILD SUPPORT SERVICES OR WHO WOULD RECEIVE SUCH SERVICES ON BEHALF OF A CHILD WHO IS RECEIVING SUCH BENEFITS.—

(i) at the time such benefits are provided, and

(ii) for receiving child support services under a State plan under section 454 of such Act (42 U.S.C. 654);

(c) HURRICANE KATRINA EMERGENCY TANF BENEFITS.—

(1) IN GENERAL.—In this section, the term ‘Hurricane Katrina Emergency TANF Benefits’ means any benefit or service that may be provided under a State or tribal program funded under part A of title IV of the Social Security Act to support families which the State or Indian tribe deems to be needy families based on their state, circumstance, or ability to access services.

(2) LIMITATION.—An individual receiving a benefit or service provided under a State or tribal program funded under part A of title IV of the Social Security Act in a State described in section 3(a)(2) to a family which the State or Indian tribe deems to be a needy family in accordance with paragraph (1), shall only be considered to be a Hurricane Katrina Emergency TANF Benefit if the State or Indian tribe designates that the benefit or service is to be treated as a Hurricane Katrina Emergency TANF Benefit.

(3) SIMPLIFIED DATA REPORTING.—

(a) IN GENERAL.—Each State or Indian tribe which provides Hurricane Katrina Emergency TANF Benefits shall report to the Secretary of Health and Human Services on a monthly basis the following information:

(i) The total amount of expenditures attributable to providing Hurricane Katrina Emergency TANF Benefits.

(ii) The total number of families receiving such benefits.

(iii) To the extent the State determines it is able to do so, the total amount of such benefits provided that are—

(A) cash;

(B) child care;

(C) other benefits and services.

(b) REPORTS TO CONGRESS.—The Secretary of Health and Human Services shall submit, on a monthly basis, a compilation of the reports submitted in accordance with paragraph (1) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.’’.

(c) TREATMENT OF FUNDING.—The amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

Subchapter C—Miscellaneous Provisions

SEC. 6093. DISCLOSURE BASED ON VALID AUTHORIZATION

(a) IN GENERAL.—Section 223(d)(5) of the Social Security Act (42 U.S.C. 623(d)(5)) is amended by adding at the end the following:

(b) DETERMINATION OF WHETHER A REVOCATION OR INCREASED LIMITATION OF A TANF WAIVER OF ANY OTHER PROVISION OF LAW, IF THE COMMISSIONER OF SOCIAL SECURITY PROVIDES TO A CUSTODIAN OF RECORD A COPY, FACSIMILE, OR ELECTRONIC VERSION OF AN AUTHORIZATION OBTAINED FROM THE INDIVIDUAL TO DISCLOSE RECORDS TO THE COMMISSIONER, THEN SUCH CUSTODIAN SHALL NOT BE HELD LIABLE.
under any applicable Federal or State law for disclosing any record or other information in response to such request, on the basis that the authorization relied upon was a copy, facsimile, or electronic version of the authorization.”.

(b) EFFECTIVE DATE.—The amendment made by this Act shall apply with respect to disclosures of records or other information made on or after the date of enactment of this Act.

SEC. 6094. EMERGENCY PROCUREMENT AUTHORITY IN SUPPORT OF HURRICANE KATRINA RESCUE AND RELIEF EFFORTS.

(a) SMALL BUSINESS RESERVATION OFFSET.—Section 15(j) of the Small Business Act (15 U.S.C. 637(s)(4)(B)) is amended by adding at the end the following:

“(4) For any contracts involving the use of the special emergency procurement authority under section 32(a)(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 428(c)), the dollar ceiling of the small business described in subsection (I) may be paid, under a subcontracting plan compliant with this subsection, in amounts in excess of $50,000, designated by agency, title, and pay grade; (B) the number of credit cards, by agency, that may be utilized for purchases under subsection (d) in amounts in excess of $50,000; (C) procedures for the immediate review of any purchase under subsection (d) in an amount in excess of $50,000 that was not approved by an official specified in that paragraph; (D) procedures to ensure that such purchases are made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances; (E) limitations on increased micro-purchases.

(b) RETENTION OF SMALL BUSINESS SUBCONTRACTING.—Section 8(d)(4)(D) of the Small Business Act (15 U.S.C. 637(d)(4)(D)) is amended by inserting the following:

“(D) procedures for the audit of all purchases made on Government credit cards after the expiration of subsection (d) under subsection (c); and (E) procedures to ensure that such purchases are made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances.”

(c) LIMITATIONS ON INCREASED MICRO-PURCHASES.—Notwithstanding any other provision of law, the authority granted under section 101 of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (Public Law 109-62), including the modifications under section 102, shall—

(1) be restricted for use solely within the geographic areas designated by the President as disaster areas due to Hurricane Katrina;

(2) not be exercised in a manner inconsistent with any Federal law providing for local preference in disaster relief and recovery contracting; and

(3) terminate 120 days after the date of enactment of this Act.

(d) MODIFIED THRESHOLD.—Notwithstanding section 102 of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (Public Law 109-62), the amount specified with respect to subsections (c), (d), and (f) of the section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) for purchases necessary for support of Hurricane Katrina rescue and relief operations shall be $50,000, or such amount in excess of $50,000, but not to exceed $250,000, as determined by the head of the executive agency concerned (or any delegate of the head of such executive agency, who shall be an officer or employee of such executive agency), provided that a warranting subcontracting officer for making Federal acquisitions, and any other provisions of law.

(e) OMB GUIDANCE ON USE OF GOVERNMENT CREDIT CARDS FOR MICRO-PURCHASES.—

(1) GUIDANCE REQUIRED.—Not later than 14 calendar days after the date of enactment of this Act, the Director of the Office of Management and Budget shall issue clear and concise guidance regarding the use of Government credit cards by agencies, including authority to make micro-purchases under subsections (c), (d), and (f) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428), as modified by this Act.

(2) ELEMENTS.—The guidance under paragraph (1) shall include—

(A) a list of Government officials with the authority to make micro-purchases under subsection (d) in amounts in excess of $50,000, designated by agency, title, and pay grade;

(B) the number of credit cards, by agency, that may be utilized for purchases under subsection (d) in amounts in excess of $50,000;

(C) procedures for the immediate review of any purchase under subsection (d) in an amount in excess of $50,000 that was not approved by an official specified in that paragraph;

(D) procedures to ensure that such purchases are made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances;

(E) procedures to ensure that such purchases are made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances; (E) limitations on increased micro-purchases.

(f) PROHIBITION OF USE OF GOVERNMENT CREDIT CARDS FOR PURCHASES.—

Not later than 180 days after the date of enactment of this Act, the head of each executive agency shall—

(1) make a report to the appropriate Congressional committees on each purchase made by such agency after the date of enactment of this Act;

(2) include in such report a concise guidance regarding the use of Government credit cards by agencies, including authority to make micro-purchases under subsection (d) in amounts in excess of $50,000, designated by agency, title, and pay grade;

(3) procedures for the immediate review of any purchase under subsection (d) in an amount in excess of $50,000 that was not approved by an official specified in that paragraph; (D) procedures to ensure that such purchases are made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances; (E) limitations on increased micro-purchases.

(3) REPORTS ON PURCHASES.—Not later than 180 days after the date of the enactment of this Act, the head of each executive agency shall submit to the appropriate Congressional committees a report on each such purchase made by such agency, including—

(A) a description of the property or services purchased;

(B) a statement of the purpose of such purchase;

(C) a statement of the amount of such purchase;

(D) a statement of the name, title, and pay grade of the officer or employee of such agency making such purchase; and

(E) whether such purchases were made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances.

(g) APPLICABLE CONGRESSIONAL COMMITTEES.—In this section, the term ‘applicable Congressional committees’ means—

(A) the Committees on Appropriations, Small Business and Entrepreneurship, Finance, and Homeland Security and Governmental Affairs of the Senate; and

(B) the Committees on Appropriations, Small Business, and Government Reform of the House of Representatives.

SEC. 6095. TRANSFER OF FUNDS.

Notwithstanding any other provision of law, the amounts made available to the Department of Homeland Security under the heading “Disaster Relief” and the heading “Emergency Preparedness and Response” of the conference report on Public Law 109-62 (119 Stat. 1991), $6.2 billion shall be available to the Secretary to carry out this chapter and remain available until expended. The Secretary shall use such sums as are necessary to carry out this chapter.

Mrs. LINCOLN. Madam President, this amendment truly reflects the values that we hold as an American family. When one of us is sick or ill, the rest of us are there to help. The amendment simply provides immediate access to Medicaid for displaced individuals from the gulf coast disaster. It provides full Federal support to the affected States only in the Medicaid Program so that we don’t leave them hanging without the means to be able to take care of their own people. We provide disaster relief funds through an uncompensated care pool for our providers who have, without being asked, provided the care for those individuals who needed it so desperately. I urge my colleagues to support this. We have tried time and time again to do what is right. We have the opportunity here. We have offered it many times. I encourage my colleagues, please do the right thing.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second. The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Hampshire (Mr. COX) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 51, as follows:

[Roll Call Vote No. 285 Leg.]

YEAS—48

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Berk
Biden
Bingaman
Boxer
Byrd
Cantwell
Gruyr
Clinton
Conrad
Corzine
Dayton
Dodd
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Feinstein
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Johnson
Kennedy
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Leahy
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Chatto
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Rogers
Burr
Bond
Collins
NAYS—51

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Allard
Bennett
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Alexander
Brownback
Ji-
Sarbanes
Lautenberg
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Levin
Lehrman
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November 3, 2005
CONGRESSIONAL RECORD—SENATE S12301
The PRESIDING OFFICER. On this vote, the yeas are 48, the nays are 51. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to. The point of order is sustained, and the amendment fails.

Mr. GREGG. I move to reconsider and I move to lay that motion on the table.

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

Mr. CONRAD. Madam President, the amendment under section 306 of the Budget Act.

Mr. COCHRAN. Madam President, what the Senator from North Dakota said is exactly right. That is exactly what this amendment does. And if you are really serious about doing something about the deficit, this is your chance to do it.

This morning we passed the Agriculture appropriations conference report which had a very small increase, but last week we passed the Labor-HHS appropriations bill with $107 billion more than the previous year. This has to stop, and that is why this is a very significant vote.

Mr. President, I say to my conservative friends, this is going to be scored very heavily by conservative organizations, such as the National Taxpayers Union. I urge a positive vote.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I renew my point of order. The pending amendment contains matter within the jurisdiction of the Committee on the Budget. I raise a point of order against the amendment under section 306 of the Budget Act.

Mr. INHOFE. Madam President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of the act for the consideration of the pending amendment. I urge a “yes” vote.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the vote. The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 32, nays 67, as follows:

\[ \text{(Roll Call Vote No. 286 Leg.)} \]

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The PRESIDING OFFICER. On this vote, the yeas are 32, the nays are 67. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment fails.

Mr. COCHRAN. Madam President, I move to reconsider the vote.

Mr. GREGG, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Amendment No. 255

Mr. NELSON of Florida. Madam President, my amendment would prevent a hike in Medicare premiums for our 42 million senior citizens. In the bill, doctors’ fees are increased in their reimbursement. In my amendment, that is paid for with drug company money that would be staying the same under the existing law where the drug companies have to give discounts under the Medicaid law as they transition into Medicaid HMOs. This saves our seniors over $1 billion in increased premiums.

This amendment is supported and endorsed by the AARP. I want to welcome the bipartisan support of the Senate for this amendment.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Iowa.

Mr. GRASSLEY. Madam President, the pending amendment contains matter within the jurisdiction of the Committee on the Budget. I raise a point of order against the amendment under section 306 of the Budget Act.

Mr. INHOFE. Madam President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of the act for the consideration of the pending amendment. I urge a “yes” vote.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll. The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 32, nays 67, as follows:

\[ \text{(Roll Call Vote No. 113 Leg.)} \]

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The PRESIDING OFFICER. On this vote, the yeas are 32, the nays are 67. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment fails.

Mr. COCHRAN. Madam President, I move to reconsider the vote.

Mr. GREGG, I move to lay that motion on the table.

The motion to lay on the table was agreed to.
Medicaid, do not pay the Part B and those who are not on Medicaid but below the poverty level have help through the QI program that we passed and the President signed recently to continue that program. So I hope my colleagues will support that amendment.

Mr. GREGG. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is without the call of the Senate.

The PRESIDENT pro tempore. Is there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 50, as follows:

[Roll Call Vote No. 287 Leg.]

YEAS—49

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Burns
Byrd
Cantwell
Carpenter
Chambliss
Chambliss
Cochran
Collins
Conrad
Dayton
DeWine
Dodd
Dorgan
Durbin
Murray
Feinstein
Nelson (FL)
Harkin
Obama
Inouye
Fryar
Jeffords
Reid
Johnson
Reid
Kennedy
Rockefeller
Kohl
Sarbanes
Lautenberg
Schumer
Leahy
Staback
Lieberman
Talent
Lincoln
Wyden
Mikulski
NAYS—50

Alexander
Allard
Allen
Bennett
Bond
Brownback
Bunning
Burr
Chafee
Chambliss
Coburn
Cochran
Coleman
Cornyn
Craig
DeMint
Corzine

Dole
McCain
Domenici
McConnell
Ensign
Murkowski
Erlenwine
Hatch
Hepburn
Sessions
Grasso
Hatch
Hatch
Hutchison
Isakson
Kyl
Lotz
Logar
Martinez

NAYING—1

Corzine

The amendment (No. 2357) was rejected.

Mr. DURKULSKI. Mr. President, I rise today to join my colleagues in support of Senator NELSON’s amendment to protect seniors against the outrageous increases in their Medicare costs.

Health care costs are skyrocketing and seniors and are paying a greater share out of their own pockets for health care each year. Medicare premium increases are outpacing inflation. Prescription drug costs are shooting through the roof.

Other out-of-pocket medical expenses are also increasing. Seniors are facing higher copays and deductibles. Last year’s Medicare bill increased deductibles for doctors’ visits by 10 percent. Deductibles for hospital and skilled nursing home visits are also rising.

Medicare beneficiaries spend a sizable portion of their income on health care. In 2004, beneficiaries spent about $3,725—an increase of 5 percent—in their income on health care costs. Over the last 3 years, Medicare premiums have increased by more than 50 percent. To compare this to the only 10-percent increase in seniors’ cost-of-living adjustments, COLA. Next year, Part B premiums will increase by another 12 percent.

But there is another problem this amendment addresses. The current Medicare physician payment formula, known as the sustainable growth rate, SGR, has serious flaws. The current formula has generated negative updates since 2001. Without congressional intervention, reimbursement rates for physicians in the Medicare Program will decrease by 4.3 percent next year. To allow for this increase for physicians, a further hike in the flawed formula. With the majority of my colleagues, I have written letters to CMS Commissioner Dr. Mark McClelan and the Director of the Office of Management and Budget, Mr. Joshua Bolten. I have supported legislation trying to address this issue. Without a permanent fix, this uncertainty causes considerable angst among the physician community every year. Although I believe Congress needs to enact a long-term solution, this amendment supports a 1 percent increase in the physician reimbursement rate for the next year.

But this increase in physician payments will also increase overall spending on Medicare Part B. This will in turn increase Medicare premiums, which are set at 25 percent of Part B expenses. While I strongly support the payment change, I believe it is equally important that Medicare beneficiaries not have their premiums unexpectedly increased.

This amendment ensures that Medicare beneficiaries will not have to pay unexpectedly higher premiums in 2007 because of the payment changes for 2006 in the Senate’s budget reconciliation bill. This amendment prevents us from having to make a King Solomon-like decision. With this amendment, we do not have to consider “cutting the baby in half.” We do not have to decide between this modest increase to physician reimbursement and a further hike to our senior citizens—especially for those who are forced to live on a fixed income.

In addition, the increase necessary to provide for physician reimbursement will not have to come from taxpayers. The offset for this amendment is an expansion of a drug rebate program currently in place since 1990. Drug manufacturers currently pay a rebate to participates in Medicaid. The Nelson amendment would allow the state to protect Medicaid beneficiaries from the Part B premium increase by providing Medicaid managed care plans access to these drug rebates.

I think it is a good idea to expand the drug rebate program from Medicare fee-for-service to all of Medicaid, including the managed care programs. When we first passed this law, 15 years ago, Medicaid managed care did not have such a strong presence. It now accounts for much of Medicaid services and should be part of this rebate program.

I believe honor thy mother and father is not just a good commandment. It is a good policy to govern by.

That’s why I feel so strongly about Medicare. Congress created Medicare to provide a safety net for seniors. In 1965, seniors’ biggest fear was the cost of hospital care. One heart attack could have put a family into bankruptcy. That is what Medicare Part A is all about.

Then Congress added Medicare Part B to help seniors pay for doctor visits as an important step to keep seniors healthy and financially secure. Now, Part B premium increases are racing ahead of seniors’ ability to pay. So seniors may lose the ability to pay for coverage for their doctor visits.

This amendment is not an answer to skyrocketing health care costs, but a stopgap measure to give seniors a little breathing room. I am working hard on several bills to fix the Medicare bill that was passed last year. I am fighting to protect seniors’ Social Security COLAs from increases in both Part B and Part D premiums.

I am fighting to close the coverage gap to provide a real drug benefit for seniors. I am fighting to allow the Government to negotiate with drug companies to lower the cost of prescription drugs to save money for Government and for seniors. I am fighting to end the giveaways to insurance companies and use those savings to improve Medicare.

And I could go on.

I am fighting to protect physician reimbursement rates by supporting legislation and writing to government officials who have the authority to make changes to the flawed formula.

And I will continue to fight.

This amendment is a good step down in our constant attempt to reign in Medicare premium costs for seniors while protecting reimbursement rates for physicians.

Seniors cannot afford 17-percent increases in their Medicare premiums. Paying these costs would force many seniors to cut their reimbursement rates cut. I urge my colleagues to join me in expressing support for this amendment.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. BOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, we are making progress, but it is slow. The next amendment is the amendment of Senator CANTWELL, which is obviously the big polar bear.
The PRESIDENT pro tempore. The Senator is recognized.

Ms. CANTWELL. My amendment strikes the language allowing for drilling in the Arctic National Wildlife Refuge. The underlying bill is a sweetheart deal for oil and gas companies that have made a record $30 billion in profits last quarter. The bill gives oil companies a free ride with back-door language that allows them to circumvent environmental laws, legal standards and Federal agency oversight that every other business in America has to comply with.

This wildlife area has been protected since the Eisenhower days, and for good reason. There is an average of over 500 oil spills a year on the Alaska North Slope and over 4,000 spills in the last 10 years. Let’s not pollute one of the great last refuges of America, and let’s take the polluting language out of this bill. The Department of Energy says drilling in ANWR will do nothing in the short and very little in the long term, reducing gas prices by only one penny. America wants a better energy plan than putting a sweetheart deal in the budget language.

I urge my colleagues to strike this language.

Mr. DODD. Mr President, I join with my colleagues in strong opposition to opening the Arctic National Wildlife Refuge, ANWR, to oil drilling. I believe including it in a reconciliation package is a backdoor attempt to achieve a shortsighted, environmentally irresponsible outcome. It is little more than a scheme to raise $2.5 billion that will ultimately be used to cover a portion of the cost of tax cuts for the wealthy. Further, it will have a great and lasting cost to the environment with few benefits in terms of affordable energy.

Let me lay out a few reasons why I oppose drilling in ANWR.

The Senators talking about is home to nearly 200 species of wildlife, including polar, grizzly, and black bears, rare musk oxen, and millions of migratory birds. Each year, thousands of caribou travel to the Coastal Plain of the Arctic Refuge to give birth to their calves. It has been protected for decades, during Republican and Democratic administrations. It is not as if we have said no to oil and gas exploration in the entire North Slope. It is only a 2,000-acre footprint is simply false because the recoverable oil is spread out in small deposits across the entire Coastal Plain.

If we open this pristine land now, we can never turn the clock back. Setting the process in motion will entail a web of oil platforms, pipelines, production facilities, power facilities, support structures, and roads across the entire area. The administration contention that development would be confined to a 2,000-acre footprint is simply false because the recoverable oil is spread out in small deposits across the entire Coastal Plain.

I firmly believe we need to ensure our country’s economic security, but drilling in ANWR will do nothing to reduce our energy price and supply problems in the near term and very little to reduce our dependence on foreign supplies of oil. With transportation accounting for nearly 70 percent of oil consumption, the Bush administration and many of my colleagues on the other side of the aisle have refused to tackle the issue of automobile fuel efficiency. According to the American Council for an Energy-Efficient Economy, CAFE, standards are raised by just 5 percent annually until 2012, and by just 3 percent thereafter, more than 1.5 million barrels of oil per day could be saved by 2010, and 67 billion barrels of oil over the next 40 years—more than 10 times what could be recovered in ANWR. In 1998, the U.S. Geological Survey estimated that there is no more than 5.2 billion barrels of economically recoverable oil in ANWR, a number that is equivalent to what the United States consumes in about 6 months. Any recoverable oil that might be below the Refuge would not begin flowing for at least 10 years and would never meet more than a small percentage of our current oil needs.

So, therefore, it would have no impact on my constituents and your constituents for at least a decade. Further, the Energy Information Administration, EIA, has said that because the price of oil is set by the world market, ANWR would have a negligible impact on gasoline prices.

The United States dependence on foreign oil is growing, with current imports at 58 percent. We currently have about 2 percent of the world’s oil reserves but consume more than a quarter of the world’s oil supply. We simply cannot drill our way out of our problems. Last year, EIA stated that at peak production, oil from ANWR would account for less than 2 percent of our consumption—no more than 4 percent. Further, there is no guarantee that any oil produced domestically from ANWR would make it to the rest of the country. There is no assurance that it will not all be exported to foreign countries. It is simply too big a risk to take when there are other, less intrusive ways to truly alleviate our dependence on oil—fuel efficiency, renewable and alternative sources of energy, and, dare I say, conservation, something the Bush administration would have you now believe it wholly endorses.

ANWR drilling proponents are always quick to contend that 735,000 jobs would be created by opening this area to oil extraction. Those estimates are based on figures from 15 years ago that the forecasters have since acknowledged were based on flawed assumptions. In October 2005, the Congressional Research Service reported that full development of the Arctic Refuge would create 60,000 jobs. Even the three oil companies that stand to reap the most profits by expanding their presence in Alaska—ExxonMobil, BP, and Conoco-Phillips—have been relatively silent this year about their interest in ANWR.

Little oil industry interest, less job creation than anticipated, minimal recoverable oil deposits, no impact on our current oil and gasoline prices nor will it reduce our country’s dependence on foreign oil. Even in 10 or so years when we might get the oil, drilling in the Arctic National Wildlife Refuge will help little if at all.

Rather than trying to get a couple of months of oil supply in 10 years, we need to address the most pressing issues facing our country now: our growing dependence on foreign oil, skyrocketing gasoline prices and global warming. This is what I have been fighting for—real solutions to real problems that would help today’s consumers and tomorrow’s energy needs.

That is why I fought to include an amendment to the Commerce, Justice, Science Appropriations bill that would provide a million dollars to the Federal Trade Commission to immediately investigate claims of price gouging. While oil companies and refineries reported record profits, American consumers shouldn’t have to scrimp to buy gasoline to go to work, or church or to buy groceries. I also cosponsored a bill that would place a federal ban on price gouging for oil, gasoline and other petroleum products during times of emergencies. To drive this point home, I sent a letter to the chairwoman of the FTC, expressing my concern over the consolidation of oil refineries, resulting in the lack of competition.

I also sent a letter to President Bush urging him to convene a White House summit of oil and gas company CEOs to insist that they
lower their sky-high gas and home heating oil prices. These are some of the President’s closest political supporters and friends. They are also the same men and women who the President called on to write the administration’s energy policy in 2001. If the President can get them in to help themselves, he should call them back to help ordinary Americans. Another letter called on the oil and gas company CEOs to temporarily halt unnecessary exports of any home heating oil products that they are currently sending abroad. We cannot expect Americans to pay over $1,000 to heat their homes this winter when U.S. companies are exporting billions of gallons of refined heating oil and propane.

We need to find solutions for tomorrow’s energy needs as well as those facing Americans today. I introduced a bill that would provide tax incentives for energy efficient hybrid and fuel cell vehicles, included in the energy bill. I also voted for a proviso in the Senate energy bill that would have required utilities to generate 10 percent of their energy from renewable sources. In addition, I supported a provision that requires the Federal Government to get at least 7.5 percent of our energy from renewable sources by 2013. I also supported an amendment that would require the U.S. to reduce foreign oil imports by 40 percent in 20 years.

Just last week, oil companies reported record third quarter profits, some more than 85 percent higher than last year. As Americans struggle to fill their gas tanks and pay high home heating bills, the oil and gas companies are filling their pockets with historic profits. And now, here we are, in the Senate, giving them the opportunity to drill in federally protected land.

This is not a time to reward oil and gas companies with the promise of more profits. We need to give these companies the opportunity to be patriots—not profiteers. They need to join us by holding down prices, investing in renewable energy, serving the needs of Americans and conserving as much as possible. Together, America can do better.

The PRESIDENT pro tempore. The time of the Senator has expired.

Who yields time in opposition? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to the Senate it is finally time. It is finally time that we decide to do something about our oil dependency. It is time that we do something for the American people about the rising, escalating price of gasoline at the pump.

As I see it, this is a rare opportunity to produce sufficient quantities of our crude oil from our own homeland, from one of our States. Not only will it produce oil, it will produce the equivalent of what the State of Texas has in reserves. To say it has very little is to say full State of Texas has very little reserves.

It will produce jobs, up to 736,000. You see them on this list. America cries out for good jobs. We wonder why we don’t have them. Then we ignore our own source of supply which would create them.

Any time I have left I yield to the Senator from Alaska.

The PRESIDENT pro tempore. The Senator has yielded time.

Ms. MURKOWSKI. Mr. President, this is the Senate’s opportunity and the country’s opportunity to address our national security, our energy security, and our environmental security. Defeat this amendment.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER (Ms. MURKOWSKI). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—48

Baucus
Bayh
Bingaman
Boxer
Baucus
Cantwell
Carper
Chafee
Clinton
Cochrane
Collins
Conrad
Dayton
DeWine
Dodd

Baucus
Bayh
Bingaman
Boxer
Baucus
Cantwell
Carper
Chafee
Clinton
Cochrane
Collins
Conrad
Dayton
DeWine
Dodd

NAYS—51

Akaka
Alexander
Allen
Bennett
Bond
Brownback
Bunning
Burns
Burr
Chambliss
Colburn
Cochran
Corzine
Craig
Crapo
DeMint

Akaka
Alexander
Allen
Bennett
Bond
Brownback
Bunning
Burns
Burr
Chambliss
Colburn
Cochran
Corzine
Craig
Crapo
DeMint

NOT VOTING—1

Corzine

The amendment (No. 2358) was rejected.

Mr. STEVENS, Madam President, I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2362

Mr. STEVENS, Madam President, parliamentary inquiry: The next amendment is the Wyden amendment on export of oil. I make a parlamen-
tary inquiry if that amendment is subject to the Byrd rule.

The PRESIDING OFFICER. In the opinion of the Chair, it is not.

Mr. STEVENS. Madam President, as long as this amendment is not changed and comes back to this floor in the conference report, it will not be subject to the Byrd rule.

The PRESIDING OFFICER. The language as stated is not subject to a point of order.

Who yields time?

Mr. WYDEN. Madam President, I call up the Wyden-Colburn amendment.

The PRESIDING OFFICER. The amendment is pending.

Mr. WYDEN. Madam President, you cannot look the public in the eye after all the speeches about how the oil is needed here at home and pass legislation that is an invitation to export Alaskan oil to countries such as China. The history is, if you do not ban these exports, this oil is going to go to Asia.

That was confirmed not long ago by oil company executives who came before the Senate Commerce Committee. Without this amendment, there is no assurance that even one drop of Alaskan oil will get to hurting Americans.

I hope the Senate agrees to this amendment to, at the very least, put a Band-Aid on a flawed policy.

I yield to my cosponsor, the Senator from Missouri.

Mr. TALENT. Madam President, I congratulate my friend from Oregon for his fine work.

Briefly, as a very strong supporter of exploring for oil in the Arctic, one of the big reasons we are doing it is to enhance our national security and our own domestic oil supply, which is why I support the amendment I am cosponsoring.

Mr. WYDEN. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. STEVENS. Is there time in opposition?

The PRESIDING OFFICER (Mr. GRAHAM). There is 1 minute in opposition.

Mr. STEVENS. In principle, I am opposed, but as long as it does not violate the Byrd rule, I will not vote against it.

I yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 2362.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 16, as follows:

Baucus
Bayh
Bingaman
Boxer
Baucus
Cantwell
Carper
Chafee
Clinton
Cochrane
Collins
Conrad
Dayton
DeWine
Dodd

Baucus
Bayh
Bingaman
Boxer
Baucus
Cantwell
Carper
Chafee
Clinton
Cochrane
Collins
Conrad
Dayton
DeWine
Dodd

NAYS—16

Akaka
Alexander
Allen
Bennett
Bond
Brownback
Bunning
Burns
Burr
Chambliss
Colburn
Cochran
Corzine
Craig
Crapo
DeMint

Akaka
Alexander
Allen
Bennett
Bond
Brownback
Bunning
Burns
Burr
Chambliss
Colburn
Cochran
Corzine
Craig
Crapo
DeMint

NOT VOTING—1

Corzine

The amendment (No. 2362) was rejected.

Mr. STEVENS, Madam President, I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 2358) was rejected.

Mr. STEVENS, Madam President, I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 2362) was rejected.

Mr. STEVENS, Madam President, I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.
The PRESIDING OFFICER. Who yields time on the amendment?

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, how much time do I have?

The PRESIDING OFFICER. One minute.

Mr. GRASSLEY. Mr. President, this is a bipartisan amendment, the Grassley-Dorgan amendment, with a lot of co-sponsors. We have a problem in the existing bill that will hurt family farmers. It cuts farm payments across the board for 100 percent of the farmers. It cuts conservation programs, so it harms the environment to a greater extent. What we do is solve a problem and help every family farmer in the process.

Ten percent of the farmers in the United States get 72 percent of the benefit out of the farm program. That is unfair. The farm programs have always been targeted toward medium- and small-sized farmers. So we put in a hard cap of $250,000. Mr. President, $250,000 is all one farm entity can get from the farm program. We redistribute that money so we do not have that 2.5-percent cut. We restore some money for conservation and things of that nature. So I hope you will support our amendment. The last time it was up, we got 66 votes for it.

Mr. KYL. Mr. President, reducing overall Federal spending on farm programs is important if we are to succeed in reducing the Federal budget deficit. The current budget-reconciliation package includes $35 billion in savings, including $3 billion from agriculture programs. To achieve these savings, the Senate Agriculture Committee cuts across-the-board 2.5 percent reduction in payments for all farm commodities. I wholeheartedly support these cuts in farm spending.

However, I cannot support waiving the Budget Act to consider the Grassley-Dorgan amendment. Its operators would be forced to cut the amount of acres on which they grow cotton. In years when prices decline at harvest, their cash flow would be negatively impacted and they could well be forced to curtail their cotton acreage. The annual budget is $5 million, and the farmers draw an annual salary of about $50,000 each when the farm generates sufficient income. This farm program would be hit hard by the limitations in the Grassley-Dorgan amendment. Its operators would be forced to cut the amount of acres on which they grow cotton.

The Grassley-Dorgan amendment, in equating large with bad, ultimately favors growers of corn, wheat, and soybeans at the expense of cotton, rice, and peanuts. To further illustrate what I am talking about, let us apply the limitations in the amendment: a farm that produces cotton or rice would, at today's world prices and average yields, hit the limit on payments at about 400 to 600 acres. This acreage is generally deemed to be too small to sustain the investment in the specialized equipment necessary for cotton and rice production. In contrast, a corn farmer with an expected yield of 150 bushels per acre, would not hit the limit on payments until just over 3,100 acres. Clearly, very few corn farmers will ever feel the effects of the Grassley-Dorgan amendment.

In addition, it has been further estimated that the more restrictive eligibility rules that are part of the amendment, combined with the limits on direct payments, would reduce direct payments to Arizona growers by $24.6 million. This represents a reduction of 62 percent, the highest of any State. Iowa would see a loss of just 4 percent and North Dakota, 10 percent.

I am not going to argue that the farm law is off limits for the purpose of finding savings for the American taxpayer. However, I encourage my colleagues to look closely at the ways we achieve that savings. It is simply not fair to use a faulty perception of what crops to grow. To illustrate, cotton program payments represent 39 percent of western farmers' cash costs of production. Corn and wheat program payments represent 49 percent and 50 percent of Midwestern farmers' cash costs, respectively.

I do not believe that any of these large farms are owned by Arizona families? I know for a fact that they are.

The average farming operation in Arizona consists of about 7,000 acres. Using a farm in near Buckeye, AZ as an example, this family farm is run by four brothers. Several children are managers of the operation, including performing marketing and financial services. About a third of the farm grows cotton, about a third grows feed grains, and the remaining third alfalfa. The annual budget is $5 million, and the brothers draw an annual salary of about $50,000 each when the farm generates sufficient income. This farm would be hit hard by the limitations in the Grassley-Dorgan amendment. Its operators would be forced to cut the amount of acres on which they grow cotton.

The Grassley-Dorgan amendment, in equating large with bad, ultimately favors growers of corn, wheat, and soybeans at the expense of cotton, rice, and peanuts. To further illustrate what I am talking about, let us apply the limitations in the amendment: a farm that produces cotton or rice would, at today's world prices and average yields, hit the limit on payments at about 400 to 600 acres. This acreage is generally deemed to be too small to sustain the investment in the specialized equipment necessary for cotton and rice production. In contrast, a corn farmer with an expected yield of 150 bushels per acre, would not hit the limit on payments until just over 3,100 acres. Clearly, very few corn farmers will ever feel the effects of the Grassley-Dorgan amendment.

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The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 1 minute.

Mr. CHAMBLISS. Mr. President, in 2002, this body, along with the House and along with the President, made a commitment to farmers and ranchers all across America with the signing and implementation of the 2002 farm bill. This was an issue back then, in 2002, in the farm bill. It will be an issue in the farm bill in 2007.

Today, when our farmers are hit with high fuel prices, with low commodity prices, and with disasters all across the country in different sections, this is not the time to say to our farmers, who feed all of America, we are going to change the program in midstream. This issue will be dealt with in the farm bill in 2007.

Mr. President, I raise a point of order under section 305 of the Budget Act that the pending amendment is not germane to the measure now before the Senate.

The PRESIDING OFFICER. The Senators from Iowa.

Mr. GRASSLEY. Mr. President, pursuant to section 901(c) of the Congressional Budget Act of 1974, I move to waive section 305 of the Budget Act for the consideration of amendment No. 2359, and I ask for the yeas and nays.

Mr. President. This amendment deals with the fact that under current law, 31 of our States are receiving significant cuts in Federal support for Medicaid because of a reduction in the percentage the Federal Government will pay, the FMAP, as we always refer to it, the Federal matching rate. Alaska is held harmless in the underlying bill. The Senate amendment will not suffer a cut. My amendment would say that for the other 30 States, the cut should not be more than five-tenths of 1 percent next year. The amendment is more than offset. In fact, the offset is supported strongly by Secretary Leavitt’s Medicaid Commission. It is supported strongly by the National Governors Association. It would save the States over $3 billion if this offset is agreed to as part of this amendment.

I urge my colleagues to support the amendment. This map shows the States in red that would get a more fair share of Medicaid funds, if the amendment passes.

The PRESIDING OFFICER. Mr. Chairman from Iowa.

Mr. GRASSLEY. Mr. President, I ask Members to vote no on this amendment. There is an odd situation here. We have had a formula in the legislation for 49 years. That formula regularly has some States getting more reimbursement, some States getting less. Next year your State might go up. The next year it might go down. That is the way it has been working. All of a sudden, some States are receiving a reduction, and they want to keep it where it is.

I have never had a situation where, when the formula worked to the benefit of the State, their reimbursement went up, that you come in here and ask for us to reduce the reimbursement. No, you accept the formula. If you want to change the formula, Senator BAUCUS and I have a good plan to change the formula. It would smooth out the peaks and valleys. That is what we ought to be doing instead of piece-meal doing it this way. I ask Members to vote against the amendment.

AMENDMENT NO. 2359, AS MODIFIED

Mr. BINGAMAN. Mr. President, I call up the modified version of the amendment, and I ask unanimous consent that that be the pending amendment.

The PRESIDING OFFICER. Without objection, the amendment is modified. The amendment, as modified, is as follows:

On page 188, after line 24, add the following:

SEC. 6037. LIMITATION ON SEVERE REDUCTION IN THE MEDICAID FMAP FOR FISCAL YEAR 2006.

(a) LIMITATION ON REDUCTION.—In no case shall the FMAP for a State for fiscal year 2006 be less than the greater of the following:

(1) 2005 FMAP decreased by the applicable percentage points.—The FMAP determined for the State for fiscal year 2005, decreased by—

(A) 0.1 percentage points in the case of Delaware and Michigan;

(B) 0.3 percentage points in the case of Kentucky; and

(C) 0.5 percentage points in the case of any other State.

(b) SCOPE OF APPLICATION.—The FMAP applicable to a State for fiscal year 2006 for the application of subsection (a) shall apply only for purposes of titles XIX and XXI of the Social Security Act (including for purposes of making disproportionate share hospital payments described in section 1923 of such Act (42 U.S.C. 1396r–4) and payments under such titles that are based on the enhanced FMAP described in section 256(b) of such Act (42 U.S.C. 1396b(a))) and shall not apply with respect to payments under title IV of such Act (42 U.S.C. 601 et seq.).

(c) DEFINITIONS.—In this section—

(1) FMAP.—The term “FMAP” means the Federal medical assistance percentage, as defined in section 1905(b)(1) of the Social Security Act (42 U.S.C. 1396b(b)).

(2) State.—The term “State” has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(d) REPEAL.—Effective as of October 1, 2006, this section is repealed and shall not apply to any fiscal year after fiscal year 2006.

SEC. 6038. EXTENSION OF PRESCRIPTION DRUG REBATES TO ENROLLEES IN MEDICAID MANAGED CARE ORGANIZATIONS.

(a) IN GENERAL.—Section 1927(j)(1) (42 U.S.C. 1396r–8(j)(1)) is amended by striking “dispensed” and all that follows through the period and inserting “are not subject to the requirements of this section if such drugs are—

“(A) dispensed by health maintenance organizations that contract under section 1917 of this title and

“(B) subject to discounts under section 330B of the Public Health Service Act (42 U.S.C. 256b)”;

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396–8) on or after such date.
SEC. 6039. EXTENSION OF THE MEDICARE PART A AND B PAYMENT HOLIDAY.

Section 1122(b)(1) of this Act is amended by striking “September 22, 2006” and inserting “September 21, 2006”.

Mr. GREGG. Mr. President, I ask unanimous consent that the Byrd amendment, which was to be the next amendment, be moved to be after the Landrieu amendment.

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

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The bill clerk called the roll.

The question is on agreeing to the amendment. The motion to lay on the table was not agreed to.

The amendment (No. 2360) was agreed to.

Mr. LOTT. Mr. President, I call up amendment No. 2360. The PRESIDING OFFICER. The amendment is pending.

Mr. LOTT. Mr. President, I will take a couple minutes to discuss the amendment. First of all, my cosponsor on this amendment is Senator LAUTENBERG.

This is an amendment that adds provisions of S. 1516, the Passenger Rail Investment and Improvement Act of 2005. It was reported out of the Commerce Committee in July and has been ready to be considered by the Senate, but repeated efforts to have it brought up in the regular order were not cleared.

We are running out of time. The administration has made it clear that without reform, they are not going to be supportive of future funds through the appropriations process for Amtrak. This amendment does not have a lot of input from management and labor, the administration, and both sides of the aisle.

I believe this is the last chance for the Senate to act on this important legislation, making it possible for us to have it included in some legislation, before we finish this year, to reform Amtrak.

Mr. GREGG. Mr. President, I appreciate the work the Senator from Mississippi and the Senator from New Jersey have done on this bill. It is absolutely true that this does represent some significant additional reforms for Amtrak. In discussions with Senator LOTT from Mississippi and others, I do believe there is an opportunity to do a lot more. Unfortunately, this has not really under-taken any reform effort at all, and that is certainly one of the concerns that I have, that this will not be a dead-end process, that we do more in this bill to deal with long distance routes that lose $200 or $300 per passenger on every single car that rides on those long distance routes and labor constraints that the management of Amtrak has said they want to have modified and adjusted so they can operate more effectively and more efficiently. These items are not in this legislation, although it does represent a step forward.

I look forward to continuing to work to improve the legislation, but I certainly cannot support its adoption on this reconciliatory bill.

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

Mr. LOTT. Mr. President, I note that Senator BURNS has also been active in this process. I ask unanimous consent that other Senators’ names be allowed to be added as cosponsors to the amendment.

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

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

There are no other Senators in the Chamber desiring to vote?

The result was announced—yeas 93, nays 6, as follows: [Rollcall Vote No. 292 Leg.]

YEAS—93

Akaka    Dodd    Lugar
Alexander    Dole    Martinez
Allard    Dorgan    McCain
Allen    Durbin    McConnell
Baucus    Feingold    McNielsen
Bayh    Feinfold    Mikulski
Biden    Rumi    Murkowski
Bingaman    Feingold    Murray
Bond    Rumi    Nelson (FL)
Boxer    Frist    Nelson (NE)
Brownback    Grassley    Obama
Bunning    Hagel    Reed
Burns    Hatch    Reid
Byrd    Hutchinson    Roberts
Cantwell    Inouye    Rockefeller
Carper    Johnson    Santorum
Chafee    Johnson    Sarbanes
Chambliss    Johnson    Scherer
Clinton    Jochle    Shelby
Cochran    Johnson    Smith
Collins    Klein    Snowe
Conrad    Kennedy    Specter
Cochran    Lautenberg    Specter
Collins    Leiberman    Stevens
Conrad    Leahy    Thomas
Coryn    Levin    Thompson
DeWine    Lieberman    Vitter
DeMint    Lincoln    Warner
Dodd    Lieberman    Warner
Domenici    Lincoln    Wyden

NOT VOTING—1

Corzine

The amendment (No. 2360) was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote. Mr. LAUTENBERG. I move to lay that motion on the table. The motion to lay on the table was agreed to.

AMENDMENT NO. 2379

The PRESIDING OFFICER. There is 2 minutes now equally divided prior to a vote on the McCain amendment.

Who yields time?

The Senator from Arizona.

Mr. MCCAIN. Mr. President, this amendment does one very important thing. It would move the DTV transition date forward by 1 year, making the completion date April 7, 2008. My colleagues will be asked to believe the earlier date is not doable. Do not believe it. We have the ability. We have the technology. It can be accomplished. It is supported by every first responder organization in America, every single one. The National Governors Association: We support the amendment, based upon certain clearing of channels. People’s lives are at stake. The only people who are against this amendment are the National Association of Broadcasters. We will see if they win again.
The PRESIDING OFFICER. Who yields time?

The Senator from Alaska.

Mr. STEVENS. Mr. President, this amendment would close off the analog broadcasting too close to the auction of spectrum to current levels. We agreed to an April 2009 date. The auction date is January of 2009. It is just too close together. The leases cannot be processed. There is no way those auction proceeds can be available until licenses are issued. This amendment would end analog broadcasts before the funds are available for the converter box fund or the translator conversion fund authorized by S. 1932. We need help in this transition. The amendment makes spectrum available to public safety groups before they can put it to use because we are informed public safety groups must have at least 3 years to prepare for the use of spectrum.

We are going to get them the spectrum. They will not be able to use it until we have the money to bring about the transition. I believe our whole committee should oppose this amendment.

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

The yeas and nays were previously ordered on the amendment.

The question is on agreeing to the amendment.

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 43, nays 56, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—43

Akaka  Feingold  Mikulski
  Baucus  Feinstein  Murray
  Bayh  Harkin  Nelson (FL)
  Biden  Inouye  Obama
  Boxer  Jefferies  Reed
  Bond  Byrd  Reid
  Brownback  Carper  Rockefeller
  Bennett  Cantwell  Kohl
  Byrd  Clinton  Landrieu
  Burns  Dodd  Lautenberg
  Brown  Durbin  Leahy
  Brownback  Ensign  Levin
  Byrd  Feingold  Lieberman
  Chafee  Frist  Lincoln
  Chambliss  Grassley  Lincoln (NE)
  Cochran  Gregg  McConnell
  Coleman  Inouye  Mankowski
  Conrad  Isakson  McCain
  Cornyn  Johnson  McCain (AZ)
  Craig  Johanns  Specter
  Crapo  Kohl  Stevens
  Dayton  Landrieu  Thomas
  Enzi  Lincoln  Thomas (CT)
  Enzi  Lincoln  Thomas (MO)
  Ewing  Lincoln  Voinovich
  Frist  McConnell  Warner

NAYS—56

Alexander  Dole  Sessions
  Allard  Domenici  Shelby
  Allen  Domenici  Smith
  Bennett  Risch  Smith
  Bond  Brownback  Snow
  Burns  Burr  Snowe
  Brownback  Boone  Specter
  Bryan  Brownback  Stevens
  Byrd  Burdick  Sununu
  Burns  Burr  Thomas
  Brownback  Byrd  Thomas (CT)
  Burns  Burr  Thomas (MO)
  Burns  Burr  Thompson
  Brownback  Byrd  Thompson (OH)
  Byrd  Burdick  Voinovich
  Burns  Burr  Voight

The amendment (No. 2370) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, I want to point out for the edification of our colleagues that we still have a lot of amendments to go. The estimate is in the high teens or potentially low twenties. As we are going, we are not going to get them all done today, and we are going to be here on Friday.

I ask, Mr. President, if we can be advised as to how long the last three votes have taken. If we could hear from the clerks, approximately how long? We do not have to be precise.

How long have the votes taken?

The PRESIDING OFFICER. An hour and 6 minutes.

Mr. GREGG. At this pace, we are here Friday.

I hope Members will think about their amendments, if they have some they are still talking about, and give serious consideration to allowing a voice vote or allowing it to be worked out.

AMENDMENT NO. 2368, WITHDRAWN

I ask unanimous consent that the Corzine amendment, No. 2368, be withdrawn.

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

AMENDMENT NO. 2372

Mr. GREGG. Mr. President, we are now on to Senator Murray's amendment.

Mrs. MURRAY. Mr. President, I ask unanimous consent that Senator CORZINE be added as a cosponsor.

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

Mrs. MURRAY. Mr. President, in a few short weeks some of our most vulnerable Americans, our sickest and poorest, so-called dual eligibles, are going to be shifted from Medicaid to Medicare. We have a train wreck coming. Medicare is going to randomly assign these people to a plan which they may not know about and which might not cover their lifesaving drugs. Doctors, hospitals, and pharmacists are scrambling. These prescription drug policies themselves have not defined the drugs they are going to cover. My amendment simply gives a 6-month transition for those people so they do not get lost in this switch. I support Medicare coverage for these dual eligibles, but I cannot—and I don’t think we should—support turning these people away at the drugstore.

This amendment does not delay the implementation of the Medicare drug benefit. It simply assures thousands of our most vulnerable Americans that they will not be lost in the transition from Medicaid to Medicare coverage.

I thank Senator ROCKEFELLER and my cosponsors, and I urge adoption of this amendment.

Mr. GREGG. Mr. President, CMS has a plan in place, and 6 months ago CMS introduced a strategy for transitioning dual eligibles from Medicaid to Medicare which lays out in great detail the steps CMS will take to ensure the continuity of coverage of this valuable group of beneficiaries. Therefore, the leadership of the Finance Committee strongly opposes this amendment.

I make a point of order that the pending amendment is not germane to the measure now before the Senate, and I raise a point of order under section 305 of the Budget Act.

The PRESIDING OFFICER. If the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays—yeas 43, nays 56, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—43

Akaka  Feingold  Mikulski
  Baucus  Feinstein  Murray
  Bayh  Harkin  Nelson (FL)
  Biden  Inouye  Obama
  Boxer  Jefferies  Reed
  Bond  Byrd  Reid
  Brownback  Carper  Rockefeller
  Bennett  Cantwell  Kohl
  Byrd  Clinton  Landrieu
  Burns  Dodd  Lautenberg
  Brown  Durbin  Leahy
  Brownback  Ensign  Levin
  Byrd  Feingold  Lieberman
  Chafee  Frist  Lincoln
  Chambliss  Grassley  Lincoln (NE)
  Cochran  Gregg  McConnell
  Coleman  Inouye  Mankowski
  Conrad  Isakson  McCain
  Cornyn  Johnson  McCain (AZ)
  Craig  Johanns  Specter
  Crapo  Kohl  Stevens
  Dayton  Landrieu  Thomas
  Enzi  Lincoln  Thomas (CT)
  Enzi  Lincoln  Thomas (MO)
  Ewing  Lincoln  Voinovich
  Frist  McConnell  Warner

NAYS—56

Alexander  Dole  Sessions
  Allard  Domenici  Shelby
  Allen  Domenici  Smith
  Bennett  Risch  Smith
  Bond  Brownback  Snow
  Burns  Burr  Snowe
  Brownback  Boone  Specter
  Bryan  Brownback  Stevens
  Byrd  Burdick  Sununu
  Burns  Burr  Thomas
  Brownback  Byrd  Thomas (CT)
  Burns  Burr  Thomas (MO)
  Burns  Burr  Thomas (CT)
  Burns  Burr  Thompson
  Brownback  Byrd  Thompson (OH)
  Byrd  Burdick  Voinovich
  Burns  Burr  Voight

The PRESIDING OFFICER. If the Senator from New Jersey (Mr. AL EXANDER). On this question, the yeas are 43, the nays are 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained. The amendment falls.

Mr. GREGG. I move to reconsider the vote.
Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2366 WITHDRAWN

The PRESIDING OFFICER. The pending question is the Landrieu amendment to 2366.

Mr. GREGG. I yield to the Senator from Louisiana for the purpose of sending a modification to the desk.

Mr. VITTER. Mr. President, with Senator Landrieu’s consent, I request the amendment be withdrawn, and we call up the Stevens-Vitter-Landrieu-Domenici amendment.

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

AMENDMENT NO. 2112

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. VITTER), for Mr. STEVENS, for himself, Mr. VITTER, Ms. LANDRIEU, and Mr. DOMENICI, proposes an amendment numbered 2112.

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

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

The amendment is as follows:

(Purpose: To modify the distribution of excess proceeds from the auction authorized by section 306(j)(15)(C)(v) of the Communications Act of 1934 (as added by section 3003 of this Act) and any amount made available under section 3006 (referred to in this subsection as “excess proceeds”), shall be distributed as follows:

(1) The first $1,000,000,000 of excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

(2) After the transfer under paragraph (1), the next $500,000,000 of excess proceeds shall be transferred to the interoperability fund described in subsection (c)3.

(3) After the transfers under paragraphs (1) and (2), the next $1,200,000,000 of excess proceeds shall be transferred to the assistance program described in subsection (c)5.

(4) After the transfers under paragraphs (1) through (3), any remaining excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

The PRESIDING OFFICER. There is 2 minutes of debate evenly divided.

Mr. VITTER. Mr. President, I present this on behalf of Mr. STEVENS, the main author, as well as myself. Ms. LANDRIEU, Mr. DOMENICI, Mr. BINGMAN, Mr. LOTT, Mr. INOUYE, Mr. CRAIG, and others. This will not change our budget numbers or our goal of deficit reduction in any way. In fact, it could enhance it.

This amendment says if and when—and only if and when—the spectrum auction produces more than is forecast, the first $1 billion over that amount would go to deficit reduction, the next $500 million would go to interoperability, the next $1.2 billion, in that order, goes to a coastal program under Commerce jurisdiction, and the remainder, if at all, would go to deficit reduction. This could, in fact, enhance deficit reduction.

Of course, it is very important to coastal States, including Louisiana, to beef up the coastline and to protect us in the future from major storms like Hurricane Katrina.

I yield the remaining time to Senator LANDRIEU.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I thank my colleague from Louisiana and particularly thank the leadership of Senator STEVENS and Senator DOMENICI and so many who have joined the effort. It has been a great effort. We thank our colleagues.

Mr. GREGG. Mr. President, I ask for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2112) was agreed to.

Mr. CONRAD. Mr. President, just to update our colleagues, we now have 19 amendments still pending. On our current course, that is going to take at least 6½ hours. That would take us to 8:30. I ask colleagues, please, if you can withhold on your amendment, do so. If you have a chance to work out the amendment, please work hard and diligently to work it out. I urge colleagues, we have a drop-dead time at 6 o’clock tonight. We cannot go beyond that with business. We have less than 4 hours to go through 19 amendments. The only way this is going to happen is if colleagues will give up some of their amendments. Otherwise, we are here tomorrow. Once we are here tomorrow, we all know what happens: we are here tomorrow. Once we are here tomorrow, we all know what happens: we will be here a long time tomorrow.

AMENDMENT NO. 2387

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, the reconciliation bill would increase immigrant work visas by 350,000 per year, about one-third of the current level. It is a massive and destabilizing increase that does not belong on the reconciliation bill.

My amendment would strike the increase in immigrant work visas and impose a $1,500 immigrant application fee on multinational corporations.

With my amendment, the Judiciary Committees would exceed their reconciliation savings targets and do so without increasing immigrant work visas. We authorized over half a million H-1B visas in 2000. Last year, we authorized another $100,000 over 5 years. Do we really need another 150,000 visas on top of that? Why is enough enough?

My amendment has the support of the unions. It has the support of immigrant enforcement groups. It has the support of Republican and Democrat Senators. I urge agreement of the amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I am opposed to this amendment because the fees for L visas would raise funds but would do nothing to fill very important jobs in the United States. The existing plan submitted by the Judiciary Committee imposes a fee, but it extends the H-1B visa and recaptures the visas which were not used in the last 5 years. There are very careful safeguards so that U.S. jobs are not lost.

I understand the position of the distinguished Senator from West Virginia, the position of the unions, but I believe their concerns are misplaced and that there is a real need for these positions of highly skilled professionals, Ph.D.s, advanced degrees, therefore, with due respect to my colleague from West Virginia, I ask for a “no” vote.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment.

Mr. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 14, nays 85, as follows:

(Rollcall Vote No. 265 Leg.)

YEAS—14

Akaka  Byrd  Dayton  Dodd  2

NAYS—85

Alexander  Allard  Allen  Baucus  Bayh  Bennett  Biden  Bingaman  Bond  Brown  Brownback  Burns  Burr  Cantwell  Casey  Chafee  Chambliss  Clinton  Coburn  Cochran  Coleman  Collins  Conrad  Crapo  Craig  Crapo  DeMint  DeWine  2

[Signature]

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[Signature]
The amendment (No. 2367) was rejected.

Mr. GREGG. I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, the next item is the Harkin amendment, a sense of the Senate. I ask unanimous consent that we have 10 minutes equally divided between the proponent and the opponent.

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

The Senator from North Dakota.

Mr. CONRAD. Mr. President, let us repeat the message loud and clear: These next three votes are going to be 10-minute votes. At the end of 10 minutes, the manager and I are going to call the vote. That is the only possible, conceivable way we can get done today.

Mr. GREGG. Of course, we may actually get a voice vote in here, hopefully.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 2367

(Purpose: To affirm that the Federal funding levels for the rate of reimbursement of child support administrative expenses should not be reduced below the levels provided by the law that the Senate should continue to be permitted to use Federal child support incentive payments for child support program expenditures that are eligible for Federal matching payments, and to express the sense of the Senate that it does not support additional fees for successful child support collection)

Mr. HARKIN. Mr. President, my amendment is the Harkin amendment, a sense of the Senate.

Mr. HARKIN. Mr. President, my amendment addresses the rate of reimbursement of child support administrative expenses for child support collection programs. It is not reasonable to cut a program that last year served 17,300,000 children. This money that goes out to States for child support enforcement to go out to deadbeat dads to get them to pay the money for child support. As a matter of fact, this is one of the best things that has happened out of welfare reform. For every $1 we spend, we are getting $4.38 back to the Government but to the families and the kids who need it. This is just a sense-of-the-Senate resolution that says we do not agree with the House 40-percent cut in this program and we won’t hold up to it when it goes to the conference. It is a sense-of-the-Senate resolution.

The bill approved by Ways and Means would slash funding for child support enforcement by 40 percent over the next 10 years. The Congressional Budget Office estimates that, as a result of these cuts, more than $24 billion in delinquent payments will go uncollected. And the biggest negative impacts will be felt by children living in poverty and children in low-income households.

And let’s be clear: Why is the House doing this? Why is it cutting this essential program that benefits some of the most vulnerable, disadvantaged, neglected children in our society? They are doing this in order to make room for another $70 billion in tax cuts—tax cuts overwhelmingly benefiting our wealthiest citizens.

Indeed, that is what this entire reconciliation process is all about. For 25 years, the budget reconciliation process was used to reduce the deficit. But, today, the majority party has a different idea. They are using reconciliation to increase the deficit. They are cutting child support enforcement, food assistance for the poor, foster care benefits, Medicaid, and other programs for the most disadvantaged Americans.

At the same time they are ramming through another $70 billion in tax cuts for the most privileged.

There is no other word for it: This is simply immoral. Last year, more than 17 million children received financial support through the Child Enforcement System, including nearly two-thirds of all children in single-parent households with incomes below twice the poverty line.

Child support helped to lift more than 1 million Americans out of poverty in 2002. As a result of cuts passed by the House, many of those people—mostly children—would be plunged back into poverty. Not only is this cruel, it is also counterproductive. It is penny wise and pound foolish, because those families that are shoved into poverty by the House’s action will end up on food stamps, Medicaid, Temporary Assistance for Needy Families, and other forms of public assistance.

This chart shows the State-by-State impact of the cut in child support collection programs passed by the House. The majority of those people—mostly children—would be plunged back into poverty. Not only is this cruel, it is also counterproductive. It is penny wise and pound foolish, because those families that are shoved into poverty by the House’s action will end up on food stamps, Medicaid, Temporary Assistance for Needy Families, and other forms of public assistance.

The amendment is as follows: At the appropriate place, insert the following:

SEC. 1. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) On October 26, 2005, the Committee on Ways and Means of the United States House of Representatives approved a budget reconciliation package that would significantly reduce the Federal Government’s funding used to pay for the child support programs established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) and would restrict the ability of States to use other Federal funding to pay for child support program expenditures that are eligible for Federal matching payments.

(2) The child support program enforces the responsibility of non-custodial parents to support their children. The program is jointly funded by Federal, State and local governments.

(3) The Office of Management and Budget gave the child support program a 90 percent rating under the Program Assessment Rating Tool (PART), making it the highest performing social service program.

(4) The President’s 2006 budget cites the child support program as “one of the highest rated blockformula grants of all reviewed programs government wide. This high rating is due to its strong mission, effective management, and demonstration of measurable

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senate from Iowa [Mr. HARKIN], for himself, Mr. KOHL, Mr. OBAMA, and Mr. BAYH, proposes an amendment numbered 2363.

The amendment is as follows: At the appropriate place, insert the following:

SEC. 1. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) On October 26, 2005, the Committee on Ways and Means of the United States House of Representatives approved a budget reconciliation package that would significantly reduce the Federal Government’s funding used to pay for the child support programs established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) and would restrict the ability of States to use other Federal funding to pay for child support program expenditures that are eligible for Federal matching payments.

(2) The child support program enforces the responsibility of non-custodial parents to support their children. The program is jointly funded by Federal, State and local governments.

(3) The Office of Management and Budget gave the child support program a 90 percent rating under the Program Assessment Rating Tool (PART), making it the highest performing social service program.

(4) The President’s 2006 budget cites the child support program as “one of the highest rated blockformula grants of all reviewed programs government wide. This high rating is due to its strong mission, effective management, and demonstration of measurable
progress toward meeting annual and long term performance measures.”

(5) In 2004, the child support program spent $5,300,000,000 to collect $21,900,000,000 in support payments. Public assistance in the child support program is only 4 percent of the Federal surplus, and the program spends more than $5,300,000,000 to collect $21,900,000,000 in support payments. The percentage is higher for poor children—81 percent of poor children living apart from a parent receive child support services through the program. The percentage is higher for poor children—41 percent of poor children living apart from a parent receive child support services through the program. Federal assistance has generally been effective on the backs of families who rely on Federal assistance and child support is the second largest in- program so effective.

(6) In 2004, 17,300,000 children, or 60 percent of all children living apart from a parent, received child support services through the Federal program. The percentage is higher for poor children—81 percent of poor children living apart from a parent receive child support services through the program. Federal assistance has generally been effective on the backs of families who rely on Federal assistance and child support is the second largest in- program so effective.

(7) Children who receive child support from their parents do better in school than those who do not receive support payments. Older children with child support payments are more likely to finish high school and attend college.

(8) The child support program directly decreases the costs of other public assistance programs by increasing family self-sufficiency. The more effective the child support program in a State, the higher the savings in public assistance costs.

(9) Child support helps lift more than 1,000,000 Americans out of poverty each year.

(10) Families that are former recipients of assistance under the temporary assistance for needy families (TANF) program have seen the greatest increase in child support payments. Collections for these families increased 94 percent between 1999 and 2004, even though the number of former TANF families did not increase during this period.

(11) Families that receive child support are more likely to find and hold jobs, and less likely to be poor than comparable families without child support.

(12) The child support program saved costs in the Food Stamps, Public Assistance, Supplemental Security Income, and subsidized housing programs.

(13) The Congressional Budget Office estimates that the funding cuts proposed by the Committee on Ways and Means of the House of Representatives would reduce child support collections by nearly $7,900,000,000 in the next 5 years and $24,100,000,000 in the next 10 years.

(14) That National Governor’s Association has stated that such cuts are unduly burden some and will force States to reevaluate service in the program. Federal assistance has generally been effective on the backs of families who rely on Federal assistance and child support is the second largest in- program so effective.

(15) The Federal Government has a moral responsibility to ensure that parents do not live with their children meet their financial support obligations for those children.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Executive Branch will not accept any reduction in funding for the child support program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.), or any restrictions on the availability of child support services. Federal child support incentive payments and support programs are essential services that must be continued.

Mr. OBAMA. Mr. President, I rise today on behalf of the Senate to reassert the Federal commitment to child support services, and to urge support for the Federal child support program. Federal child support services are essential in ensuring the welfare of our Nation’s children.

The child support program is an effective and efficient way to ensure the responsibility of noncustodial parents to support their children. For every public dollar that is spent on collection, more than $4 is collected to support children. That is a good return on our investment in families. Moreover, the evidence is compelling. For example, in 2004, enforcement efforts helped collect almost $22 billion in child support. Our aggressive State and Federal efforts have translated into $1 billion in collected child support payments in Illinois alone this year. That means 386,000 Illinois families will be better equipped to provide for their children.

Preliminary budget estimates suggest the cuts proposed by the Ways and Means Committee will translate into $7.9 billion in lost collections within 5 years, increasing to a loss of over $24 billion within 10 years. This proposal is not even pennywise, and it is certainly pound foolish. Today, the State of Illinois reports a 32 percent child support collection rate. Let’s not take a step backwards in the progress that has been made in increasing rates of necessary Federal support. Moreover, the welfare of too many is at stake. Child support is the second largest income source for qualifying low-income families. We cannot balance our budget on the backs of families who rely on child support to remain out of poverty. This Congress claims that strengthening the family is a priority. Senator HARKIN’s amendment is a firm expression that we are serious about this worthwhile investment.

I urge my colleagues to support this amendment.

Mr. GREGG. Mr. President, the Senator from Iowa has been kind enough to represent that he will accept a voice vote on this. I move that we proceed to a voice vote on the amendment.

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

Mr. BYRD. Mr. President, I ask unanimous consent that Senator HARKIN be added as a cosponsor. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. 7. SUSPENSION OF DEBATE LIMITATION ON RECONCILIATION LEGISLATION THAT CAUSES A DEFICIT OR INCREASES THE DEFICIT.

(a) IN GENERAL.—For purposes of consideration in the Senate of any reconciliation bill or resolution, or amendments thereto or debatable motions or appeals in connection therewith, under section 310(e) of the Congressional Budget Act of 1974, section 305(b) (1), (2), and (5), section 305(c), and the limitations in section 306(e) of that Act, shall not apply to any reconciliation bill or resolution, amendment thereto, or motion thereon that includes reductions in revenue or increases in spending that would cause an on-budget deficit to occur or increase the deficit for any fiscal year covered by such bill or resolution.

(b) GERMANESS REQUIRED.—Notwithstanding subsection (a), no amendment that is not germane to the provisions of such reconciliation bill or resolution shall be read into the record.

Mr. GREGG. Mr. President, the practical effect of this amendment would be to essentially vitiate the reconciliation process. It would mean that even if we start running through the items, we would run through the event that could be filibustered. The whole purpose of reconciliation is to have a time limit and to get to a vote. Therefore, this amendment would undermine completely the concept of reconciliation which, as is hopefully going to be proven by this
Mr. GREGG. I move to reconsider and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2891

Mr. GREGG. The next amendment is Senate Amendment 2891.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. I have offered an amendment to ensure that people understand what they are signing up for when the Medicare drug benefit comes to life and that is beginning in 2006. There is such a mix of things that the recipient beneficiaries, I am sure, will be very confused as to what the cost is going to be on the gap of coverage, whether they have to pay it all out of their pockets. I want to make sure they understand what it is they are applying for and the pitfalls or the advantages thereof.

This is very simple. We ask them to sign a note when they apply for the plan so that they are saying they are fully aware of the consequences of their signature. This should be passed, Mr. President, because it helps the senior citizens understand what it is they are getting into.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I am sure this amendment is well-intentioned, as are all amendments from the Senator from New Jersey, but essentially it creates an unnecessary level of paperwork for the enrollee in the plan, and in addition, as a practical matter, it enters into a portion of the Medicare trust fund which we have not addressed in this reconciliation bill, which is the Part D section of the trust fund, that being the new drug program the theory being that program should be allowed to get rolling before it gets amended.

There are a number of regulations coming out from CMS relative to making sure the beneficiaries are adequately protected under their plan, and I believe they pick up the issues that are raised by the Senator from New Jersey.

That being said, I make a point of order that the pending amendment is not germane to the measure now before the Senate, and I raise that point of order under section 305 of the Budget Act.

Mr. LAUTENBERG. Mr. President, pursuant to the relevant sections of the Congressional Budget Act of 1974, I move to waive those sections for consideration of the pending amendment.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 43, nays 56, as follows:

{rollcall Vote No. 297 Leg.}

NOT VOTING—1

The assistant legislative clerk called the roll.

Alexander  ———
Allard   ———
Allen   ———
Bennett   ———
Bond   ———
Brownback  ———
Bunning   ———
Burns   ———
Chafee   ———
Chambliss   ———
Coburn   ———
Cocharan   ———
Coleman   ———
Collins   ———
Cornyn   ———
Craig   ———
Crapo   ———
DeMint   ———

YEAS—44

Akaka  Feingold  Mikulski
Baucus  Feinstein  Murray
Bayh  Harkin  Nelson (FL)
Biden  Inouye  Nelson (NE)
Bingaman  Jeffords  Obama
Boxer  Johnson  Pryor
Byrd  Kennedy  Reed
Cantwell  Kerry  Reed
Carper  Kohl  Rockefeller
Clinton  Landrieu  Salazar
Conrad  Lautenberg  Sander
Dayton  Leahy  Schwartz
Dodd  Levin  Schumacher
Dorgan  Lieberman  Stabenow
Durbin  Lincoln  Wyden

NAYS—55

Alexander  DeWine  McConnell
Allard  Dale  Markowski
Allen  Domenici  Roberts
Bennett  Ensign  Santorum
Bond  Enzi  Sessions
Brownback  Frist  Shelby
Bunning  Graham  Smith
Burns  Gravel  Snow
Chafee  Hagel  Specter
Chambliss  Hatch  Stevens
Coburn  Hutchison  Sununu
Cocharan  Inhofe  Talent
Coleman  Isakson  Thomas
Collins  Kyl  Thune
Cornyn  Lott  Vitter
Craig  Lugar  Voinovich
Crapo  Martinez  Warner
DeMint  McCain

NAY—56

Akaka  ———
Baucus  ———
Bayh  ———
Biden  ———
Bingaman  ———
Boxer  ———
Byrd  ———
Cantwell  ———
Carper  ———
Chambliss  ———
Cochran  ———
Collins  ———
Cornyn  ———
Craig  ———
Crapo  ———
DeMint  ———

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 43, nays 56, as follows:

{rollcall Vote No. 297 Leg.}

YEAS—43

Alexander  DeWine  ———
Allard  Allen  ———
Bennett  Bennett  ———
Bond  Brownback  ———
Bunning  Burns  ———
Burns  Byrd  ———
Cantwell  Carper  ———
Clinton  Conrad  ———
Dayton  Dayton  ———
Dodd  Dodd  ———
Dorgan  Durbin  ———

Mr. GREGG. I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, I ask unanimous consent that votes on this amendment falls.

The PRESIDING OFFICER. The amendment falls.
where we are with respect to the funding of the bill, where we are with respect to the requirements the Senate is under under reconciliation, to make certain that all of this fits together. That is the reason for the delay at this moment to make certain that the numbers work correctly.

With that, we will go to the Cantwell amendment.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2400

Ms. CANTWELL. Mr. President, I rise to offer a perfecting amendment. In order to raise the $2.4 billion claimed in the underlying bill, it assumes a 50-50 split of oil leasing revenues between the State of Alaska and the Federal Treasury.

But my colleagues may be surprised to learn that whether or not this 50-50 split. I ask my colleagues to be certain that all of this fits together. This is a matter of some uncertainty. The legislative language is upheld in court

The amendment (No. 2400) was rejected.

Mr. MCGRATH. Mr. President, I ask unanimous consent the following amendments, which are acceptable to both sides, upon being sent to the desk, to be agreed to, en bloc, and the motions to reconsider be laid upon the table.

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

The amendments, en bloc, were agreed to, as follows:

AMENDMENTS NO. 2350, 2378, 2418, 2411, 2413, EN BLOC

Mr. GREGG. Mr. President, I ask unanimous consent the following amendments, which are acceptable to both sides, upon being sent to the desk, to be agreed to, en bloc, and the motions to reconsider be laid upon the table.

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

The amendments, en bloc, were agreed to, as follows:
shall pay to the Attorney General, by De-
ember 31, 2005, the amounts listed in sub-
section (b) that are to be provided for fiscal year 2006; and
(2) for each subsequent fiscal year provided in subsec-
tion (b) out of funds in the Treasury not otherwise appropriated shall pay to the Librarian of the Congress the amounts pro-
vided by November 1 of each such fiscal year.

(b) AMOUNTS PROVIDED.—The amounts re-
ferred to in subsection (a), which shall be in addition to funds appropriated for each fiscal year, are:
(1) $8,000,000 for fiscal year 2006, $17,000,000 for fiscal year 2007, $15,000,000 for fiscal year 2008, $8,000,000 for fiscal year 2009, and $10,000,000 for fiscal year 2010, to fund the Bulletproof Vest Partnership Program as au-
thorized under section 4 of Public Law 108–372.

(2) $3,700,000 for fiscal year 2006, $6,300,000 for fiscal year 2007, $5,000,000 for fiscal year 2008, $5,000,000 for fiscal year 2009, and $5,000,000 for fiscal year 2010, to fund DNA Training and Education for Law Enforce-
ment, Correctional Personnel, and Court Of-
ficers as authorized by section 303 of Public Law 108–405.

(3) $8,000,000 for fiscal year 2006, $12,000,000 for fiscal year 2007, $10,000,000 for fiscal year 2008, $10,000,000 for fiscal year 2009, and $10,000,000 for fiscal year 2010, to fund DNA Research and Development as authorized by section 305 of Public Law 108–405.

(4) $500,000 for fiscal year 2006, $500,000 for fiscal year 2007, $750,000 for fiscal year 2008, $500,000 for fiscal year 2009, and $500,000 for fiscal year 2010, to fund the National Foren-
sic Science Commission as authorized by section 306 of Public Law 108–405.

(5) $500,000 for fiscal year 2006, $1,000,000 for fiscal year 2007, $1,000,000 for fiscal year 2008, $500,000 for fiscal year 2009, and $1,000,000 for fiscal year 2010, to fund DNA Identification of Missing Persons as author-
ized by section 308 of Public Law 108–405.

(6) $8,000,000 for fiscal year 2006, $27,000,000 for fiscal year 2007, $25,000,000 for fiscal year 2008, $25,000,000 for fiscal year 2009, and $25,000,000 for fiscal year 2010, to fund Capital Litigation Improvement Grants as author-
ized by sections 421, 422, and 426 of Public Law 108–405.

(7) $2,500,000 for fiscal year 2006, $3,000,000 for fiscal year 2007, $2,500,000 for fiscal year 2008, $2,500,000 for fiscal year 2009, and $2,500,000 for fiscal year 2010, to fund the Kirk Bloodsworth Post-Conviction DNA Testing Grant Programs as authorized by sections 412 and 413 of Public Law 108–405.

(8) $1,000,000 for fiscal year 2006, $1,000,000 for fiscal year 2007, $1,000,000 for fiscal year 2008, $1,000,000 for fiscal year 2009, and $1,000,000 for fiscal year 2010, to fund In-

(c) OBLIGATION OF FUNDS.—The Attorney General shall—
(1) receive funds under this section for fis-
cal years 2006 through 2010; and
(2) accept such funds in the amounts pro-
vided which shall be obligated for the pur-
poses stated in this section by March 1 of each fiscal year.

AMENDMENT NO. 2118

(Purpose: To amend chapter 21 of title 38, United States Code, to enhance adaptive housing assistance for disabled veterans and to reduce the amount appropriated for the Medicaid Integrity Program by $1,000,000 for each of fiscal years 2007 through 2010)

On page 90, between lines 19 and 20, insert the following:

Subtitle D—Adaptive Housing Assistance

SEC. 2011. SHORT TITLE.

This subtitle may be cited as the ‘‘Spe-
cially Adapted Housing Grants Improve-
ments Act of 2010.’’

SEC. 2012. ADAPTIVE HOUSING ASSISTANCE FOR DISABLED VETERANS RESIDING TEMPORARILY IN HOUSING OWNED BY A FAMILY MEMBER.

(a) ASSISTANCE AUTHORIZED.—Chapter 21 of title 38, United States Code, is amended by inserting after section 2102 the following new section:

‘‘§ 2102A. Assistance for veterans residing temporarily in housing owned by a family member

(a) ASSISTANCE AUTHORIZED.—If a disabled veteran described in subsection (a)(2) or (b)(2) of section 2101 of this title resides, but does not intend to permanently reside, in a residence owned by a member of such veteran’s family, the Secretary may assist the veteran in acquiring such adaptations to such residence as are determined by the Sec-
retary to be reasonably necessary because of the veteran’s disability.

(b) LIMITATION ON AMOUNT OF ASSISTANCE.—Subject to section 2102(d) of this title, the assistance authorized under subsection (a) may not exceed—

(1) $10,000, in the case of a veteran de-
scribed in section 2101(a)(2) of this title; or

(2) $2,000, in the case of a veteran de-
scribed in section 2101(b)(2) of this title.

(c) LIMITATION ON NUMBER OF RESIDENCES Subject to ASSISTANCE.—A veteran eligible for assistance under section 2102A may only be provided such assistance with respect to 1 residence.

(d) REGULATIONS.—Assistance under this subsection is to be provided in accordance with such regulations as the Secretary may pre-
scribe.

(e) TERMINATION OF AUTHORITY.—The au-
thority under subsection (a) shall expire at the end of the 5-
year period beginning on the date of enact-
ment of the Specially Adapted Housing Grants Impro-
vements Act of 2010.’’

(2) for fiscal year 2011 and each fiscal year thereafter, $75,000,000.

AMENDMENT NO. 2111

(Purpose: To authorize the continued provi-
sion of certain adult day health care ser-
sices or medical adult day care services under a State Medicaid plan)

On page 188, after line 24, add the fol-
lowing:

SEC. 6037. AUTHORITY TO CONTINUE PROVIDING CERTAIN ADULT DAY HEALTH CARE SERVICES OR MEDICAL ADULT DAY CARE SERVICES.

The Secretary shall not—
(1) withhold, suspend, disallow, or other-
wise refuse to provide Federal financial participation under section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) for adult day health care services or medical adult day care serv-
ces, as defined under a State Medicaid plan approved on or before 1982, if such services are provided consistent with such definition and the requirements of such plan; or
(2) withdraw Federal approval of any such State plan or part thereof regarding the pro-
vision of such services.
Mr. WARNER. Mr. President, I rise today in support of an amendment to S. 1932, the deficit reduction bill. I am pleased to be joined in this bipartisan effort with Senators ENZI, DURBIN, and ALLEN. I am grateful to each of them for working closely with me in crafting this amendment. In addition, I would like to thank Chairman ENZI and Senator KENNEDY for working closely with me in support of this amendment.

Under the deficit reduction bill, certain educational programs are authorized or reauthorized that provide Federal dollars to help low-income students with the costs associated with higher education. These programs include: (1) Pell grants—in fiscal year 2005 $12.7 billion was spent on Pell grants by the Federal Government; (2) ProGAP grants—a new mandatory spending program consisting of approximately $1.45 billion a year that is designed to provide supplemental grants to low-income Pell grant recipients, regardless of their majors; and (3) SMART grants—a new mandatory spending program consisting of $650 million a year that will provide supplemental grants to low-income Pell grant recipients in their third and fourth year of college who are pursuing majors in math, science, engineering, and foreign languages.

These initiatives are commendable. I support them. Each program will significantly increase dollars targeted to low-income individuals who wish to pursue higher education to help them with the costs associated with their schooling.

But while I support these programs, I also fervently believe that when the Congress expends taxpayer money, it ought to do so in a manner that meets our Nation's needs. The fact of the matter is that should this bill become law, the Federal Government will spend, next year alone, approximately $14.5 billion on grants to help low-income students attend higher education. I repeat, $14.5 billion.

Of this $14.5 billion, without this amendment, only $450 million each year will be specifically targeted towards encouraging students to enter courses of study that are critical to our national security. That amounts to only about 3 percent of the total amount spent. I repeat, 3 percent. That is astonishing to me.

It is astonishing to me because a key component of America's national, homeland, and economic security in this new post 9/11 world of global terrorism is having home-grown, highly-trained scientific minds to compete in today's one-world market. Yet alarmingly,
America faces a huge shortage of these technical minds.

Strikingly, America faced a similar situation nearly 50 years ago. On October 4, 1957, the Soviet Union successfully launched the first manmade satellite, to the surprise of the world. This launch shocked America, as many of us had assumed that we were preeminent in the scientific fields. While prior to that unforgettable day America enjoyed an air of post World War II invincibility, afterwards our Nation recognized a cost to its complacency. We had fallen behind.

In the months and years to follow, we would respond with massive investments in science, technology and engineering.

In 1958, Congress passed the National Defense Education Act to inspire and induce individuals to advance in the fields of science and math. In addition, President Eisenhower signed into law legislation that established the National Aeronautics and Space Administration, NASA. And a few years later, in 1961, President Kennedy set the Nation's goal of landing a man on the Moon within the decade.

These investments paid off. In the years following the Sputnik launch, America not only closed the scientific and technological gap with the Soviet Union, we surpassed them. Our renewed commitment to science and technology not only enabled us to safely land a man on the Moon in 1969, it spurred research and development which helped ensure that our modern military has always had the best equipment and technology in the world. These post-Sputnik investments also laid the foundation for the creation of some of the most significant technologies of modern life, including personal computers, and the Internet.

Why is any of this important to us today? Because as the old saying goes: he only who fails to remember history is bound to repeat it.

The truth of the matter is that today America's education system is coming up short in training the highly technical American minds that we now need and will continue to need far into the future.

The fact is that over the last two decades the number of young Americans pursuing bachelor degrees in science and engineering has been declining proportionately of college-age students earning degrees in math, science, and engineering is now substantially higher in 16 countries in Asia and Europe than it is in the United States. If these current trends continue, according to the National Science Board, less than 10 percent of all scientists and engineers in the world will be working in America by 2010.

This shortage in America of highly trained technical minds is already having very real consequences for this country. For example, the U.S. production of patents, probably the most direct link between research and economic benefit, has declined steadily relative to the rest of the world for decades, and now stands at only 52 percent of the total.

In the past, this country has been able to compensate for its shortfall in homegrown high-level technical and scientific talent by importing the necessary brain power from foreign countries. However, with increased global competition, this is becoming harder and harder. More and more of our imported brain power is returning home to their native countries. And regrettably, as they return home, many American high-tech jobs are being outsourced with them.

Fortunately, we can do something here today to help us become better prepared. Certainly, the SMART grant program is an important step in the right direction. But while the SMART grant program is one small step for man, it is not a giant leap for America. More has to be done. Remember, even with the SMART grant program, next year only 3 percent of the $14.5 billion targeted towards low-income students will be focused on meeting our security needs. That is why I am offering this amendment today. The Warner, Lieberman, Roberts, Durbin, and Allen amendment is simple. It simply allows the Secretary of Education to provide low-income Pell grant recipients who pursue majors at the college and university level in critical national and homeland security fields of math, science, engineering, and foreign languages, an additional sum of money on top of their normal ProGAP grants. The amendment gives incentives and inducements to students who accept the challenge of pursuing the more rigorous and demanding curriculum of these studies that are critical to our Nation.

The amendment achieves its goal without adding a single new dollar to the underlying bill. The Warner, Lieberman, Roberts, Durbin, and Allen amendment does not change the Pell grant program or the SMART grant program in any way. It merely changes the formula of payments to students who will receive ProGAP grants. This change is desperately needed to put our nation on the road to meeting the ever increasing competition from India, China, and other nations where more and more of their students are pursuing studies in the sciences and technology.

The amendment builds upon the SMART grant program by enabling the Secretary to provide even greater incentives to encourage individuals to pursue studies critical fields. The amendment accomplishes this goal by allowing the Secretary of Education to award larger ProGAP grants to students majoring in programs of math, science, engineering and foreign languages that are key to our national and homeland security.

While I believe studying the liberal arts is an important component to having an enlightened citizenry, we simply must do more to address this glaring shortage in other critical fields.

America can ill afford a 21st century Sputnik. This amendment will make sure that additional monies get focused on training the highly skilled minds that are needed in the 21st century to protect our national, economic, and homeland security.

I urge my colleagues to support this amendment.

Mr. GREGG. The game plan is to go to the Santorum or Baucus amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The bill clerk will call the roll.

Mr. CONRAD. The next amendment in order is the Baucus amendment.

Mr. BAUCUS. I call up amendment 2383 and ask for its immediate consideration.

Amendment no. 2383

Mr. BAUCUS. The amendment in order is the Baucus amendment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I call up amendment 2383 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk reads as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 2383.

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

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

The amendment is as follows:

(Purpose: To exclude discounts provided to mail order and nursing facility pharmacies from the determination of average manufacturer price and to extend the discounts offered under fee-for-service Medicaid for prescription drugs to managed care organizations.)

On page 110, after line 24, add the following:

(4) EXCLUSION OF DISCOUNTS PROVIDED TO MAIL ORDER AND NURSING FACILITY PHARMACIES FROM THE DETERMINATION OF AVERAGE MANUFACTURER PRICE.—

(A) IN GENERAL.—Section 1927(k)(1)(B)(i)(IV), as added by paragraph (A).

Paragraph (3) shall apply to the amendment made by subparagraph (A).
Mr. GREGG. I send to the desk an amendment by Senator LEVIN.

The PRESIDING OFFICER. The clerk will report.

The motion to lay on the table was agreed to.

Mr. GREGG. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. The clerk will call the roll.

The amendment (No. 2417) was agreed to.

Mr. GREGG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The amendment (No. 2348) was agreed to.

Mr. GREGG. I ask unanimous consent to strike lines 3 through 14.

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

The PRESIDING OFFICER. The clerk will report.

The amendment (No. 2383) was agreed to.

Mr. GREGG. I move to reconsider the vote.

Mr. CONRAD. Mr. President, the next amendment in order is the Schumer amendment.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I offer amendment 2348.

The PRESIDING OFFICER. The clerk will report.

The amendment is as follows:

(Purpose: To strike the provisions increasing the Medicaid rebate for generic drugs)

On page 125, strike lines 3 through 14.

Mr. ROCKEFELLER. Mr. President, I will speak for a moment about the Schumer-Rockefeller generics amendment to the budget reconciliation bill.

The amendment that Senator SCHUMER and I are offering today would eliminate the provision in this bill that increases the generics Medicaid rebate from 11 percent to 17 percent. Increasing the rebate for generics would jeop-
The reconciliation bill before us has a number of flaws—it cuts Medicaid by $7.5 billion despite Hurricane Katrina and the high health care costs working families continue to face. It imposes even greater premiums on Medicare beneficiaries when Part B premiums have increased by more than $10 per month in each of the last 2 years. And, it fails to address many of the problems we know will occur when the Medicare drug benefit is implemented on January 1, 2006. But, that’s not all.

This bill includes a provision, which was added to the Finance Committee reconciliation bill the night before the markup—that would increase the rebate amount that generic manufacturers pay to State Medicaid programs from 11 percent to 17 percent. That’s an increase of 55 percent.

At a time when access to generic drugs represents the greatest opportunity for prescription drug cost savings, this bill seeks to limit such access. Not only will this policy result in greater costs to Medicaid over the long term, but it could also threaten access to lower-cost drugs for all Americans.

In the recent past, when Missouri and New Jersey considered implementing generic drug rebate increases for the purpose of achieving savings, they actually found they would have incurred greater costs as a result of reduced access to affordable generic drugs.

New Jersey officials estimated that increasing rebates on generics used in their Pharmaceutical Assistance for the Aged and Disabled and Senior Gold programs would have increased state costs $18 million in the first year. Missouri’s SeniorRx Program estimated that increasing generic rebates would have increased state costs by $8.5 million dollars in the first year alone.

According to a 1998 study by the Congressional Budget Office, generic drugs save consumers approximately $8–10 billion each year. Why would we underscore access to generics when low-cost prescription drugs should be a priority?

I question the merits of such a far-reaching policy that was added in the dead of night seemingly for the purpose of achieving greater budget savings. I understand the temptation to act in reconciliation to accomplish long-standing policy goals as well as to address requests from special interest groups.

We should resist such temptation when we have not done our homework—when we don’t know the real rationale or effects of this policy or the interaction with other policies. We can do better.

We can be more thoughtful—and we have a responsibility to be very careful when we’re dealing with pocketbook issues that affect working families, our states, as well as long-term costs to the Federal Government.

I thank the Chair and urge my colleagues to vote ‘yes’ on the Schumer-Rockefeller generic drug amendment.

Mr. SCHUMER. Mr. President, this is a very simple amendment. In a sincere effort to cut costs, what has happened in this bill is, in effect, we have elimi-
nated the ability of generic drugs to be sold using Medicaid. That will raise costs dramatically.

Over half the prescription drugs used in Medicaid are generic. They are only 16 percent of the cost, but because we have raised the fees so dramatically on what a generic drug company must pay a pharmacy to handle the drug, it is now going to be the same as a prescription drug. Even though the prescription drug costs a whole lot more and, therefore, it is a much lower base, pharmacies are not going to use the generic. In the long run, that will cost the Medicaid Program billions of dollars.

This is a huge mistake. It was not done by design. They raised all the fees and figured that will bring this amount of money in the next year.

Can anyone imagine we are saying, in Medicaid, where we need to save money, we are not going to use generic drugs? My amendment corrects that situation and is within the fiscal confines of the bill.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, we do not need an amendment to improve this situation because this bill has in it already very significant incentives for generic utilization through the way we reimburse generics and the dispensing fee we require.

A very significant thing is to remember that brand drugs account for 67 percent of Medicaid prescriptions, but they also account for 81 percent of the Medicaid rebates. This is reasonable policy for us, then, to create parity between brand and generic rebates. This amendment would upset that parity.

The amendment before the Senate also simply strikes generic rebates; it does not pay for it. So I strongly oppose bringing the Committee on Finance out of compliance with our budget instructions. This amendment would do that. I ask Members to oppose the amendment.

Mr. GREGG. I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment (No. 2348) was rejected.

Mr. MCCONNELL. I move to reconsider the vote.

The amendment (No. 2348) was rejected.

Mr. CRAIG. I move to lay that motion on the table.

The amendment (No. 2348) was rejected.

Mr. HAGEL. Mr. President, I call up amendment No. 2391 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment (No. 2391) was rejected.

Mr. HAGEL. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To require Fannie Mae and Freddie Mac to register under the Securities Act of 1933)

At the appropriate place, insert the following:

SEC. 3. REGISTRATION OF GSE SECURITIES.

(a) FANNIE MAE.—

(B) MORTGAGE-BACKED SECURITIES.—Section 39d(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(d)) is amended by striking the fourth sentence and inserting the following:—Securities issued by the corporation under this subsection shall not be exempt securities for purposes of the Securities Act of 1933.

(c) SUBORDINATE OBLIGATIONS.—Section 39(e) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(e)) is
amended by striking the fourth sentence and inserting the following: ‘‘Obligations issued by the corporation under this subsection shall not be exempt securities for purposes of the Securities Act of 1933.‘’

(3) SECURITIES.—Section 311 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723c) is amended—

(A) in the section heading, by striking ‘‘Association’’;

(B) by inserting ‘‘(a) IN GENERAL.—’’ after ‘‘SEC. 311’’;

(C) in the second sentence, by inserting ‘‘by the Association’’ after ‘‘issued’’; and

(D) by adding at the end the following:

‘‘(b) TREATMENT OF CORPORATION SECURITIES.—

‘‘(1) IN GENERAL.—Any stock, obligations, securities, participations, or other instruments issued by the corporation pursuant to this title shall not be exempt securities for purposes of the Securities Act of 1933.’’

‘‘(2) EXEMPTION FOR APPROVED SELLERS.—Notwithstanding any other provision of this title or the Securities Act of 1933, transactions involving the initial disposition by an approved seller of pooled certificates that are acquired by that seller from the corporation upon the initial issuance of the pooled certificates shall be deemed to be transactions by a person other than an issuer, underwriter, or dealer for purposes of the Securities Act of 1933.

‘‘(3) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

‘‘(A) APPROVED SELLER.—The term ‘approved seller’ means an institution approved by the Corporation to sell mortgage loans to the Corporation in exchange for pooled certificates.

‘‘(B) POOL CERTIFICATES.—The term ‘pool certificates’ means single class mortgage-backed securities guaranteed by the Corporation that have been issued by the Corporation directly to the approved seller in exchange for mortgage loans underly ing such mortgage-backed securities.

‘‘(C) MORTGAGE RELATED SECURITIES.—A single class mortgage-backed security guaranteed by the corporation that has been issued by the corporation directly to the approved seller in exchange for mortgage loans underlying such mortgage-backed securities.

‘‘(D) INDIVIDUAL RETIREMENT ACCOUNT SAVINGS.—The term ‘individual retirement account savings’ means the aggregate of all IRAs, and qualified plans that invest in a security issued by the Corporation.

(4) MORTGAGE RELATED SECURITIES.—A single class mortgage-backed security guaranteed by the corporation that has been issued by the corporation directly to the approved seller in exchange for mortgage loans underlying such mortgage-backed securities shall be deemed to be a mortgage related security, as defined in section 3(a) of the Securities Exchange Act of 1934.

‘‘(b) Section 306(c) of the Federal Home Loan Mortgage Corporation Act of 1992 (12 U.S.C. 1455c) is amended to read as follows:

‘‘(c) NO EFFECT ON OTHER LAW.‘’

‘‘(d) REGULATIONS.—For purposes of this section, the following definitions shall apply:

‘‘(1) IN GENERAL.—Any stock, obligations, securities, participations, or other instruments issued by the corporation under this subsection shall not be exempt securities for purposes of the Securities Act of 1933.

‘‘(2) EXEMPTION FOR APPROVED SELLERS.—Notwithstanding any other provision of this title or the Securities Act of 1933, transactions involving the initial disposition by an approved seller of pooled certificates that are acquired by that seller from the corporation upon the initial issuance of the pooled certificates shall be deemed to be transactions by a person other than an issuer, underwriter, or dealer for purposes of the Securities Act of 1933.

‘‘(3) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

‘‘(A) APPROVED SELLER.—The term ‘approved seller’ means an institution approved by the Corporation to sell mortgage loans to the Corporation in exchange for pooled certificates.

‘‘(B) POOL CERTIFICATES.—The term ‘pool certificates’ means single class mortgage-backed securities guaranteed by the Corporation that have been issued by the Corporation directly to the approved seller in exchange for mortgage loans underlying such mortgage-backed securities.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from New Hampshire. Mr. GREGG. I ask unanimous consent that the only amendments referred to be those offered by Senator REED, one by Senator LIEBERMAN, one by Senator SANTORUM, and one by Senator SNOWE.

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

Mr. CONRAD. Mr. President, respecting the right to object, the last one is a Cornyn amendment?

Mr. GREGG. It appears there may be. Mr. CONRAD. I think we can accept it.

Mr. GREGG. We will now go to Senator SANTORUM.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Amendment No. 219

Mr. GREGG. Mr. President, the amendment proposed by Senator SANTORUM, Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for himself, Mr. THOMAS, Mr. VINOVICH, Mr. LIEBERMAN, Mr. DODD, and Mr. ROSSFELTER, proposes an amendment numbered 219.

Text of Amendments.

Purpose: To amend title XVIII of the Social Security Act to make a technical correction regarding purchase agreements for power-driven wheelchairs under the Medicare program, to provide for coverage of ultrasound screening for abdominal aortic aneurysms under part B of such program, to improve patient access to, and utilization of, the colorectal cancer screening benefit under such program, and to provide for coverage of a screening for aortic aneurysms.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from New Hampshire. Mr. SUNUNU. Mr. President, I join the Senator from Nebraska in supporting this amendment. We absolutely need strong, credible, effective regulation of financial services, particularly in the mortgage market. It sends the wrong message if we treat them differently from other big investment services companies. It sends the wrong message if we don’t have a credible regulator. We need a new model to pass legislation of this kind out of a provision, SEC registration for their stocks and bonds. It is common sense. We have passed legislation in the Banking Committee that is increasingly unlikely, given the opposition, lack of support by the GSEs in working on this legislation. Their allied interest groups have weighed in against the legislation. I think it does a disservice to the capital markets and to the consumers if we fail to have a strong amendment. I certainly support the amendment, but I will yield back to the Senator from Nebraska.

Mr. SANTORUM. Mr. President, this is a four-part amendment. The first part would provide for a screening for aortic aneurysms, offered by Senator Bunning and Senator Dodd. The second part of the amendment would allow for the purchase of electronic mobility equipment for our seniors, something Senator Voight has been working on, as opposed to having a long-term lease. The third part is offered by Senator Thomas, which has to do with rural mental health care under Medicare. And finally, the piece I have been offering is on colorectal screenings. We passed that benefit back in 1997. As a result of that payment and the benefit for screenings, we have only seen a 1-percent increase in screenings. This is an attempt to try to increase that by allowing for the payment of the pre-doctor visit as well as the part B deductible.

I ask unanimous consent to add Senator Landrieu as a cosponsor of the amendment.
The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I ask unanimous consent to be listed as a co-sponsor of the amendment.

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

Mr. GREGG. Mr. President, I ask for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2419.

The amendment (No. 2419) was agreed to.

Mr. GREGG. We now go to Senator REED.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2409

Mr. REED. Mr. President, I ask that amendment No. 2409 be called up for immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island (Mr. REED), for himself, Mr. Baucus, Mrs. Murray, Mr. Kennedy, Mr. Bingaman, Mr. Corzine, Mrs. Clinton, and Mr. Obama, proposes an amendment numbered 2409.

The amendment is as follows:

(Purpose: To strike provisions relating to reforms of targeted case management)

Strike section 6031 of the bill.

Mr. REED. This amendment strikes section 6031 of the reconciliation act which pertains to case management services. States have the ability to identify groups such as children and adults with AIDS, children in foster care, other vulnerable groups, and find comprehensive services. These services include educational and social as well as medical services. The underlying reconciliation bill will force these services to be paid for by third parties, the State or others. That will decrease the use of these services and actually end up costing more to the States, and it will disrupt many of the very appropriate programs we have. In fact, many of these programs save money by dealing with these people.

I would point out that this legislation does not require an offset, nor does it require a supermajority vote since we are striking language in the underlying bill.

I reserve any time I have.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am shocked anybody from the other side of the aisle would raise any questions against the policy we have in our bill. This is not a Republican policy. This is not a Bush administration policy. This is a policy that was offered by the previous administration, the Clinton administration. The targeted case management provision of this bill merely codifies that policy that was offered by the Clinton administration. I have a letter I got from the U.S. Psychiatric Rehabilitation Association expressing thanks for the targeted case management provisions:

You measured steps and considerations of TCM will preserve the needed services to those who cannot attain housing, employment, or health care on their own. [We] appreciate your work in helping to ensure that mentally disabled Americans have the opportunity to access Medicaid services.

It seems to me this is something that ought to be of the heart and the brain of anybody on the other side of the aisle.

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

The Senator from Rhode Island.

Mr. REED. Mr. President, this bill will hurt programs that exist today that help children, people with AIDS, a host of people. I received this information not from the Clinton administration but from providers in my own community, Christian Brothers who deal with children, social workers who deal with adults.

Mr. GREGG. Mr. President, I ask unanimous consent that Senator Smith be added to the list of amendments that will be considered.

Mr. CONRAD. Reserving the right to object, we don't yet know what the Smith amendment is. Can we get that first?

Mr. GREGG. I withdraw that.

Mr. REED. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The question is on agreeing to amendment No. 2409.

The clerks call the roll.

The bill clerk called the roll as follows:

The Senator from Vermont (Mr. Baucus), the Senator from Idaho (Mr. Idaho), the Senator from New Jersey (Mr. Corzine), the Senator from Tennessee (Mr. Kennedy), the Senator from Oklahoma (Mr. Coburn), the Senator from Iowa (Mr. Grassley), the Senator from Kentucky (Mr. Durbin), the Senator from New Jersey (Mr. Corzine) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 300 Log.]

YEAS—46

Alaska—Murphy; Dole—Kyl; Baucus—Feingold; Bayh—Frist; Biden—Reid; Bingaman—Inouye; Boxer— Pryor; Byrd—Reed; Cantwell—Kerry; Carper—Craig; Chafee—Ensign; Clinton—Cornyn; Comrad—Lott; Dayton—Lugar; DeWine—Martinez; Dodd—McCain; Dorgan—McClellan; Fred—Santorum; Bond—Sessions; Hatch—Shelby;

YEAS—46

Akaka—Mikulski; Baucus—Murray; Bayh—Obama; Biden—Nelson (FL); Bingaman—Nelson (NE); Boxer—Obama; Byrd—Reid; Cantwell—Rockefeller; Carper—Reed; Chafee—Santorum; Clinton—Schumer; Comrad—Sarbanes; Dayton—Stabenow; DeWine—Wyden; Dodd—Landrieu; Dorgan—Lahm;

NAYS—52

Alexander—Cochran; Allard—Coleman; Allen—Collins; Bennett—Cornyn; Bond—Craig; Brownback—Cochran; Bunning—Coleman; Burns—Collins; Burr—Cornyn; Chambliss—Craig; Inhofe—Smith; Isakson—Snow; Kyl—Specter; Lugar—Stevens; Martinez—Sununu; McCain—Talent; McCain—Thomas; McConnell—Tillis; Murkowski—Voinovich; Roberts—Warner; Santorum—Voinovich; Sessions—Voinovich; Shelby—Voinovich;

Mr. GREGG. The amendment (No. 2409) was rejected.

Mr. GREGG. I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

Mr. GREGG. The amendment agreed to, as follows:

AMENDMENT NO. 2380, AS MODIFIED

Mr. GREGG. Mr. President, I now send three amendments to the desk and ask that they be considered and agreed to en bloc, and the motions to reconsider be laid on the table—one for Senator LIEBERMAN and two for Senator SUNUNU.

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

The amendments were agreed to, as follows:

AMENDMENT NO. 2380, AS MODIFIED

Mr. GREGG. The amendment (No. 2380) was agreed to, as follows:

SEC. 6116. QUALITY MEASUREMENT SYSTEMS AMENDMENTS.

Section 1860E-1, as added by section 610(a)(2), is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (B)—

(1) in clause (vi), by striking “and” at the end;

(ii) in clause (vii), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following new clause:

“(viii) measures that address conditions where there is the greatest disparity of health care provided and health outcomes between majority and minority groups;”;

and

(B) in subparagraph (E)—

(1) in clause (v), by striking “and” at the end;

(ii) by redesignating clause (vi) as clause (vii); and

(iii) by inserting after clause (v) the following new clause—

“(vii) allows quality measures that are reported to be stratified according to patient group characteristics; and”;

(2) in subsection (c)(4)—

(A) in subparagraph (B), by striking “and” at the end;

(B) in subparagraph (C), by striking the period at the end and inserting “; and”, and

(C) by adding at the end the following new subparagraph:

“(D) The report commissioned by Congress from the Institute of Medicine of the National Academy of Sciences, titled Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care .”;

and

(3) in subsection (d)(2), by inserting “experts in minority health,” after “government agencies,”.
The 2003 Institute of Medicine report, Unequal Treatment, recommended that the "collection, reporting, and monitoring of patient care data by health plans and federal, and state payors should be encouraged" to move towards eliminating disparities. My amendment to section 6110 S. 1932 addresses this IOM recommendation to more specifically encourage the collection and reporting of health care quality data for both majority and minority groups as Medicare Value-Based Purchasing Programs are being developed and established.

My amendment encourages the Secretary of the Department of Health and Human Services to focus on diseases where there are disparities between majority and minority groups. Diseases such as infant mortality, diabetes, heart disease, breast cancer, cervical cancer, HIV/AIDS, childhood immunizations, and adult immunizations are all disproportionately problematic in minority populations and must be considered in any systematic attempt to measure and improve health care quality.

My amendment also encourages the collection of specific data on patient characteristics that are key to measuring and collecting data on health care quality. Collecting information on gender, race/ethnicity, language spoken, and insurance status are encouraged. Without this information, we will not have an ability to determine whether or not disparities between majority and minority groups are decreasing.

In the existing provisions of section 6110, the Secretary of the Department of Health and Human Services will work with various expert groups in developing and implementing quality measurement systems. However, experts in minority health are not currently included in the legislation. My amendment ensures that experts in minority health are included in developing and implementing a health care quality measurement system.

Lastly, my amendment would reward hospitals, physicians, clinicians, and health care providers, among other groups that demonstrate improvement in quality of care for patient subgroups and minorities. I thank Senators Grassley and Baucus and the Finance Committee staff for working with us to try to focus necessities of health care needs of all Americans. This would mark the first time our Federal Government made a commitment to improving the quality of health care that minority groups—our constituents—are receiving. I believe this ground-breaking legislation to bring pay-for-performance accountability to Medicare is an important step forward and I believe it will be much more powerful and have much greater impact if we tackle how to eliminate racial and ethnic disparities.

Mr. Gregg. Mr. President, we now turn to Senator Reed for his second amendment.

Mr. Reed. Mr. President, I call up amendment No. 2396.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Rhode Island [Mr. Reed] proposes an amendment numbered 2396.

The amendment is as follows: (Purpose: To ensure that amounts are not obligated out of the Digital Transition and Public Safety Fund until the proceeds of the auction are actually deposited by the FCC)

On page 95, line 12, after the period insert "not to exceed the U.S. Treasury General Fund of the amounts from the Fund until the proceeds of the auction are actually deposited by the Commission pursuant to subsection (c) by that date shall be transferred to the general fund of the Treasury.

AMENDMENT NO. 3360

(Purpose: To ensure that amounts are not obligated out of the Digital Transition and Public Safety Fund until the proceeds of the auction are actually deposited by the FCC)

On page 95, line 12, after the period insert "The Secretary may not obligate any amounts from the Fund until the proceeds of the auction authorized by section 309(j)(15)(C)(i) are actually deposited by the Commission pursuant to subsection (b)."

Mr. Lieberman. Mr. President, a very important provision is being passed in this year's reconciliation bill establishing Medicare Value-Based Purchasing Programs. Value-based purchasing brings a pay-for-performance provision to Medicare. Senator Grassley, Senator Baucus, and the Finance Committee staff on both sides of the aisle have pushed forward an initiative that has been needed for a long time in American health care. I applaud them for their efforts.

A recent study published in the New England Journal of Medicine found that less than 55 percent of patients in America receive appropriate medical care. This means that if you go to the doctor and have pneumonia there is a good chance you may not receive the right antibiotic; or CPR might be performed on a patient with the incorrect number of breaths; or you may not receive the best surgery for your heart condition. Americans are not systematically receiving appropriate medical treatment. And receiving appropriate medical treatment should not be a matter of luck.

We know that it is too easy for Americans to get inappropriate medical care. But there are patient groups throughout our country that are in even more medical danger. Disparities in health care quality in minority groups are well documented. This would mean that a Hispanic or African-American male is less likely to receive the right medication for a heart condition than a White male. These findings are not related to income, insurance status, age, or what hospital a person goes to, among other factors. Special attention paid to minority patient groups in our current efforts to improve the quality of medical care in the U.S.
The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced—yeas 48, nays 51, as follows:

(Rollcall Vote No. 301 Leg.)

YEAS—48

Akaka  Delahunt  Lincoln
Baucus  Durbin  Mikulski
Bayh  Feingold  Murray
Biden  Feinstein  Nelson (FL)
Bingaman  Harkin  Nelson (NE)
Bond  Inouye  Obama
Boxer  Jeffords  Pryor
Byrd  Johnson  Reed
Cantwell  Kennedy  Reid
Carper  Kennedy  Rockefeller
Chafee  Klobuchar  Salazar
Clinton  Landrieu  Sarbanes
Conrad  Lautenberg  Schumer
Dayton  Leahy  Specter
DeWine  Levin  Stabenow
Dodd  Lieberman  Wyden

NAYS—51

Alexander  Dole  McCain
Allard  Domenici  McConnell
Allen  Ensign  Murkowski
Bennett  Enzi  Roberts
Brownback  Frist  Santorum
Bunning  Graham  Sessions
Burns  Gregg  Shelby
Burks  Gregg  Smith
Chambliss  Hagel  Snowe
Cole  Hatch  Stevens
Coats  Hatch  Stevens
Cooper  Hatch  Stevens
Coons  Hatch  Stevens
Corzine  Kyl  Thune
Craig  Lott  Vitter
Crapo  Logar  Voinovich
DeMint  Martinez  Warner

NOT VOTING—1

Corsino

The amendment (No. 2396) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. ENSIGN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. I ask unanimous consent that Senator SMITH be allowed to offer an amendment.

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Could we also put in order my amendment?

Mr. GREGG. And at a later date, Senator CONRAD be put on the list of Senators who can offer an amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Oregon.

AMENDMENT NO. 2390

Mr. SMITH. Mr. President, I ask unanimous consent that Senator FEINGOLD be added as a cosponsor to my amendment. I am already pleased that Senator CLINTON is a cosponsor.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. SMITH], for himself, Mrs. CLINTON, and Mr. FEINGOLD, proposes an amendment numbered 2390.

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

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

The amendment is as follows:

(Purpose: To provide for a demonstration project regarding Medicaid coverage of low-income individuals)

On page 188, after line 24, add the following:

SEC. 6037. DEMONSTRATION PROJECT REGARDING MEDICAID COVERAGE OF LOW INCOME HIV-INFECTED INDIVIDUALS.

(a) REQUIREMENT TO CONDUCT DEMONSTRATION PROJECT.—

(1) IN GENERAL.—The Secretary shall establish a demonstration project under which a State may apply under section 1115 of the Social Security Act (42 U.S.C. 1315) to provide medical assistance under a State medicaid program to HIV-infected individuals described in subsection (b) in accordance with the provisions of this section.

(b) HIV-INFECTED INDIVIDUALS DESCRIBED.—For purposes of subsection (a), HIV-infected individuals described in this subsection are individuals who are not described in section 1903(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)) or section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i))—

(1) who have HIV infection;

(2) whose income (as determined under the provisions of this section) for a period of more than 5 consecutive years does not exceed the poverty line (as defined in section 2110(c)(5) of the Social Security Act (42 U.S.C. 1308) in the case of a State that is subject to such limitation and subsection as approved application to provide medical assistance in accordance with this section.

(c) LIMITATION ON NUMBER OF APPROVED APPLICATIONS.—The Secretary shall only approve—

(1) as many State applications to provide medical assistance in accordance with this section as will not exceed the limitation on aggregate payments under subsection (d)(2)(A).

(2) AUTHORITY TO WAIVE RESTRICTIONS ON PAYMENTS TO TERRITORIES.—The Secretary shall waive the limitations on payments under subsection (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1308) in the case of a State that is subject to such limitation and subsection as approved application to provide medical assistance in accordance with this section.

(d) LIMITATION ON PAYMENTS.—For purposes of subsection (a), HIV-infected individuals described in this subsection are individuals who are not described in section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)) and (c)(5); and

(1) APPROPRIATION.—

(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section, $450,000,000 for the period of fiscal years 2006 through 2010.

(B) BUDGET AUTHORITY.—Subparagraph (A) constitutes budget authority in advance of appropriations Act and represents the obligation of the Federal Government to provide for the payment of the amounts appropriated under that subparagraph.

(2) AMOUNTS ALLOCATED TO STATES.—The Secretary shall allocate funds to States with approved applications under this section based on their applications and the availability of funds.

(e) EVALUATION AND REPORT.—

(1) EVALUATION.—The Secretary shall conduct an evaluation of the demonstration project established under this section. Such evaluation shall include an analysis of the cost-effectiveness of the project and the impact of the project on the Medicare, Medicaid, and Supplemental Security Income programs established under titles XVIII, XIX, and XVI, respectively, of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq., 1381 et seq.).

(2) REPORT TO CONGRESS.—Not later than December 31, 2010, the Secretary shall submit a report to Congress on the results of the evaluation of the demonstration project established under this section.

(f) EFFECTIVE DATE.—This section shall take effect on January 1, 2006.

SEC. 6038. ADDITIONAL INCREASE IN REBATE FOR PROGRAMS TO PROVIDE INNOVATIVE MULTIPLE SOURCE DRUGS.


Mr. SMITH. The amendment I am offering authorizes $450 million for State demonstration projects to provide Medicaid coverage to low-income individuals living with HIV. It is similar to S. 311, Early Treatment for HIV Act. I introduced this earlier this year with strong support of 33 of my colleagues. As Medicaid generally covers only those disabled by full-blown AIDS, the amendment would likely limit the treatment available to some of our most vulnerable citizens.

With more States having difficulty maintaining their AIDS drug assistance programs, it is imperative that we provide alternative methods of delivering treatment to those individuals with HIV who are living in poverty. It is simply the right thing to do. I ask for my colleagues’ support for this fiscally and morally defensible policy.

Mr. GREGG. I ask for the time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. GREGG. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2390) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote and lay that motion on the table.

The motion to lay on the table was agreed to.

Amendment No. 2371

Ms. SNOWE, Mr. President, I call up amendment 2371 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.
The assistant journal clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. WYDEN, Mr. MCCAIN, Ms. STABENOW, and Mrs. CLINTON, proposes an amendment numbered 257.

Ms. SNOWE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend title XVIII of the Social Security Act to provide the authority for negotiating fair prices for Medicare prescription drug plans)

After section 6115, insert the following:

SEC. 6116. NEGOTIATING FAIR PRICES FOR MEDICARE PRESCRIPTION DRUGS.

(a) In general.—Section 1860D-11 (42 U.S.C. 1395w-111) is amended by striking subsection (g) and inserting the following:

"(i) Authority to negotiate prices with manufacturers.—

"(1) GENERAL. Subject to paragraph (4), in order to ensure that beneficiaries enrolled under prescription drug plans and MA-PD plans pay the lowest possible price, the Secretary shall have the authority similar to that of other Federal entities that purchase prescription drugs in bulk to negotiate contracts with manufacturers of covered part D drugs consistent with the requirements and in furtherance of the goals of providing quality care and containing costs under this part.

"(2) MANDATORY RESPONSIBILITIES. The Secretary shall be required to—

"(A) negotiate contracts with manufacturers of covered part D drugs for each fallback prescription drug plan under subsection (g) and

"(B) participate in negotiation of contracts of any covered part D drug upon request of an approved prescription drug plan or MA-PD plan.

"(3) RULE OF CONSTRUCTION.—Nothing in paragraph (2) shall be construed to limit the authority of the Secretary under paragraph (1) to the mandatory responsibilities under paragraph (2).

"(4) NO PARTICULAR FORMULARY OR PRICE STRUCTURE.—To promote competition under this part and in carrying out this part, the Secretary may not require a particular formulary or institute a price structure for the reimbursement of covered part D drugs.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of title 181 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173).

Ms. SNOWE. Mr. President, I ask unanimous consent that Senator CLINTON be added as a cosponsor.

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

Ms. SNOWE. Mr. President, I am offering this amendment on behalf of myself and Senator WYDEN, who has offered considerable leadership on this issue over the years providing affordable medications to our seniors, along with Senator MCCAIN and Senator STABENOW. So many of us in Congress have worked to make prescription drug coverage a part of the Medicare Program, but the fact remains that the costs are rising since the time we first created this program, from $523 billion to now up to $720 billion for the Part D Program.

As we see in this first chart, the brand-name prices are consistently outpacing inflation because they have no competition. As we can see with the generic drugs, where there is competition, the price is lower. We want to give the Secretary of Health and Human Services the ability to negotiate prices, particularly for those seniors who will not have access to more than two prescription drug plans or where the plans ask for negotiating authority.

This is not price setting. This is price saving. In fact, we have explicit language in the legislation that says this is not about price setting. It does not give the Secretary that authority. It allows him to save money for the Part D Program that is expected and projected to increase in cost by more than 8.5 percent as called for by the Congressional Budget Office. That is the CBO’s very own number.

Finally, 80 percent of seniors in America have called for the Secretary to have this authority.

Mrs. FEINSTEIN. Mr. President, I rise today to voice my support for amendment No. 2371 offered by Senators SNOWE and WYDEN, which I am pleased to cosponsor. The amendment ensures that the Health and Human Services, HHS Secretary has an active role in managing the costs of the newly-created Medicare prescription drug program, part D, by striking language in the Medicare Modernization Act of 2003 that prohibits the HHS Secretary from using the bulk purchasing power of the Federal Government to obtain prescription drugs at the lowest possible cost to taxpayers.

On the eve of the vote on the final Medicare bill, my colleague Senator WYDEN and I agreed that this prohibition language, also referred to as “the noninterference clause,” was a major flaw in the overall bill. Although we both voted in favor of the bill because it afforded seniors and the disabled the first-ever opportunity to voluntarily sign up for a drug benefit in Medicare, we agreed to work to repeal this prohibition language in the bill. I have been pleased to join with Senators SNOWE and WYDEN on legislation the past two Congresses to do just that.

Since casting my vote on the final Medicare bill at that time, I believed was for a $400 billion bill, we have all learned that more accurate estimates of the cost of the overall bill were withheld from Congress and that the true cost of the bill will now exceed $720 billion over the next 10 years. Now, more than ever, Congress must do everything it can to ensure that the government and taxpayer dollars are getting the best deal out there on the cost of drugs covered by Medicare.

That is what this amendment will do.

The amendment eliminates the so-called “noninterference” clause, gives the HHS Secretary authority to negotiate prices with drug manufacturers, and requires that the HHS Secretary do so for covered part D drugs for each fallback prescription drug plan—where the Federal Government is assuming the risk—and upon the request of an approved prescription drug plan or a Medicare advantage prescription drug plan.

What the amendment does not do is require the Secretary to set drug prices or formularies. I have heard the argument that this amendment will result in price controls. I believe that this has been made time and again by drug companies who would rather profit from the Federal Government paying too much for drugs than allow the Federal Government to use its purchasing power to negotiate for the best deals on drug prices.

The reality is that this amendment specifically states that the Secretary may not require a particular formulary or institute a price structure for the reimbursement of covered part D drugs.

I have also heard the argument that the Secretary won’t be able to negotiate better drug prices than private payers. Currently does a State with the largest purchasing power in the country for drugs in its Medicaid program and it is clear that the size of California’s market has helped Californians’ ability to negotiate more competitive drug prices.

But don’t take my word for it. In 2004, CBO stated, “giving the Secretary an additional tool—the authority to negotiate prices with manufacturers of such drugs—would put greater pressure on those manufacturers and could produce some additional savings.”

With respect to sole source drugs, CBO went on to say, “there is potential for some savings if the Secretary were to have the authority to negotiate prices with manufacturers of single-source drugs that do not face competition from therapeutic alternatives.”

Prescription drug prices for existing drugs—these are not new drugs, but old ones—have been rising three times the inflation rates, according to the Government Accountability Office. So I ask the question: Why are we not doing everything in our power to ensure the Federal Government is getting the lowest prices for drugs?

The Snowe-Wyden amendment ensures fiscal responsibility in an entitlement program whose escalating costs pose a very serious problem for future generations. I am pleased to be a cosponsor of this amendment and urge my colleagues to support the amendment.

THE PRESIDING OFFICER. The Senator’s time has expired.

Ms. SNOWE. The former Secretary of HHS said, I would like to have had the opportunity to negotiate.

Mr. President, I ask unanimous consent that Senator GREGG be added as a cosponsor.

Mr. GREGG. I yield to the Senator from Iowa.
The PRESIDING OFFICER. On this vote, the ayes are 51, the nays are 48. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. GREGG. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. GREGG. I would now like to turn to the amendment of Senator CORNYN.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2408

Mr. CORNYN. I call up amendment No. 2408 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The amendment (No. 2408) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. At this point, I believe the Senator from North Dakota has an amendment to offer.

AMENDMENT NO. 2422

Mr. CONRAD. Mr. President, I call up amendment 2422.

The PRESIDING OFFICER. The clerk will report.

The Journal clerk read as follows:

The amendment (No. 2422) was rejected.

Mr. CONRAD. I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To ensure Medicaid enrollees have access to small, independent pharmacies located in rural and frontier areas)

On page 121, after line 25, add the following:

"(5) RULES APPLICABLE TO CRITICAL ACCESS PHARMACIES.—"

"(A) REIMBURSEMENT LIMITS.—Notwithstanding paragraph (2)(A), in the case of a critical access retail pharmacy (as defined in subparagraph (C)), the upper payment limit—"

"(I) for the ingredient cost of a single source drug, is the lesser of—"

"(i) 108 percent of the average manufacturer price for the drug; or"

"(II) the wholesale acquisition cost for the drug; and"

"(ii) for the ingredient cost of a multiple source drug, is the lesser of—"

"(I) 140 percent of the weighted average manufacturer price for the drug; or"

"(II) the wholesale acquisition cost for the drug."

"(B) APPLICATION OF OTHER PROVISIONS.—"

The preceding provisions of this subsection shall apply with respect to reimbursement to a critical access retail pharmacy in the same manner as such provisions apply to reimbursements to other retail pharmacies except that, in establishing the reimbursement fee for a critical access pharmacy the Secretary, in addition to the factors required under paragraph (4), shall include consideration of the costs associated with operating a critical access retail pharmacy.

"(C) CRITICAL ACCESS RETAIL PHARMACY DEFINED.—For purposes of subparagraph (A), the term ‘critical access retail pharmacy’ means an retail pharmacy that is not within a 20-mile radius of another retail pharmacy.

"(2) INCREASE IN BASIC REBATE FOR SINGLE SOURCE DRUGS AND INNOVATOR MULTIPLE SOURCE DRUGS.—Section 1927(c)(1)(B)(i)(V) (42 U.S.C. 1320a-7c(1)(B)(i)(V)), as added by section 6062(a)(4), is amended by striking ‘‘17” and inserting ‘‘18.1”.

Mr. CONRAD. Mr. President, in the interest of time, very briefly, this is to help rural remote pharmacies with modestly enhanced reimbursement. I very much thank my colleagues on both sides of the aisle who have agreed to support this amendment. I especially thank the chairman of the Finance Committee for his support.

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Mr. GREGG. I urge the amendment be agreed to.

The PRESIDING OFFICER. Is all time yielded back?

Mr. GREGG. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2422) was agreed to.

AMENDMENT NO. 2392

Mr. GREGG. Mr. President, I wish to reiterate my statement which was inadvertently omitted from yesterday's Record with regard to amendment No. 2392 that we will support an effort to pass legislation to make the technical change deleted from our bill in a more appropriate vehicle.

PHARMACY DISPENSING FEES

Mr. REED. Mr. President, I engage my colleague, the Chairman of the Senate Finance Committee, in a colloquy about his difficulty for Medicaid recipients on pharmacy dispensing fees in the Medicaid pharmacy reimbursement reform section of the Budget Reconciliation Act.

As I understand the intent of these provisions, States are required to pay dispensing fees to pharmacies for Medicaid prescriptions, but there are no specific minimum fees set forth in the bill. States are given some guidance regarding the factors to use when setting the fees, but there are no requirements to do anything more than take those factors into consideration when setting fees.

I am concerned that the States will not have the ability to accurately account for these factors when setting these dispensing fees. As a consequence, pharmacies will be paid significantly less for the drug product that they provide to Medicaid recipients. This could make it difficult for Medicaid recipients to continue to obtain their prescription medications from their neighborhood pharmacy, and many pharmacies may have to close or reduce hours. The total payment to pharmacies for the drug product and dispensing fee must be adequate to pay pharmacies to buy the drug, dispense the medication, and have a reasonable return. It is my understanding that States would have to pay double or triple the dispensing fees currently being paid to pharmacies just to break even.

I am also concerned that States do not have any guidance or direction in the bill on how to set their dispensing fees for generic drugs in relation to brand name drugs. While the bill does say that States should set dispensing fees for non innovator multiple source drugs higher than innovator multiple source drugs that are therapeutically equivalent and bioequivalent, I urge that the language require that fees for generic drugs in general be set higher than fees for brand name drugs. This will encourage the dispensing of generic drugs which can be one-fifth the cost of a brand name drug.

Mr. GRASSLEY. I thank the Senator for his concerns and want to clarify for him the intent of the bill regarding dispensing fees and respond to some of his concerns. I agree that States will need to review and increase the fees that they pay pharmacies for dispensing Medicaid prescriptions. We want to be sure that Medicaid recipients can continue to have access to prescription medications from their local pharmacies. Coming from a rural State, I know that many of my constituents rely on pharmacies for health care services that cannot be delivered by the only health care professional for many miles.

The overall assumptions made in the bill is that States will increase their dispensing fees to account for the fact that States would probably be paying pharmacists a lower amount for the drug product that more accurately reflects the cost of the drug product that is being dispensed. The amount of the dispensing fee increase will depend on many factors in each State.

We expect that each State will regularly undertake surveys of current pharmacy dispensing costs to determine and set fees in a manner that such costs would include those that are listed in the bill. States would set their dispensing fees based on those surveys. We also expect that States will pay pharmacies a reasonable return for dispensing Medicaid prescriptions.

Our expectation is that States will do all they can to encourage the dispensing of generic drugs in Medicaid. It is my expectation that States will set significantly higher fees for generics than for brands, such as one and a half times the brand name fee. If an innovator multiple source drug is less than or equal to the cost of a generic, then the State should pay the generic dispensing fee for that drug.

Mr. REED. I thank the Chairman for his clarification regarding dispensing fees. I look forward to working with you as this process moves forward to ensure that any reforms in the Medicaid pharmacy program will provide adequate reimbursement to pharmacies for dispensing Medicaid prescriptions since beneficiary access to lifesaving medications depends on pharmacies to dispense them.

MEDICAID WAIVERS

Mr. ROCKEFELLER. Last month, the Centers for Medicare and Medicaid Services—CMS, approved a comprehensive Section 1115 waiver for the State of Florida, the latest in a string of Medicaid Section 1115 waivers. These waivers are dramatically reshaping the Medicaid program and the Medicaid pharmacy program. I want to continue working with you to ensure that the Senate Finance Committee fulfills its oversight obligation in this area. I also think that the Medicaid waiver amendment that Senator Rockefeller is offering has merit, and I would like to continue working with him to improve the waiver information available on CMS' website.

Mr. ROCKEFELLER. Chairman GRASSLEY, I thank you for your willingness to work with me. This is a matter of good government. The Government Accountability Office has published reports that indicate that the Department of Health and Human Services has failed to follow its own policy on providing opportunities for the public to learn about and comment on pending waiver requests. Congress has a responsibility to assert its oversight authority on Section 1115 waivers because Medicaid is too important a program to allow it to be waived.
away through secret negotiations and without input from those who will be affected or their advocates.

MEDICAID PHARMACY, REIMBURSEMENT FOR PRESCRIPTIONS

Mr. VINOVIČ. Mr. Chairman, I applaud your leadership on the Medicaid and Medicare provision of this reconciliation package and am committed to working with you to achieve reductions in mandatory spending programs under your jurisdiction as instructed in the congressional budget resolution. I believe it is necessary to maintain fiscal constraint and recognize the difficult task involved in achieving that end while ensuring that the country’s health care safety net remains available for our citizens who truly need it the most.

As we move forward in advancing that goal, I understand that there are several changes included in the reconciliation package being considered today that address Medicaid pharmacy reimbursement for prescription drugs dispensed in the pharmacy setting. I know you and your staff worked very hard to craft the Medicaid provisions contained in this legislation and that we both share the common goal of ensuring that beneficiaries continue to have access to cost-effective prescription drugs reimbursed at an appropriate rate.

In that light, I understand that it is not your intent to inadvertently disrupt the highly efficient drug distribution system responsible for assuring access to needed drugs across the Nation’s pharmacies. I think we both believe that the drug distribution system can best be preserved if prompt-pay discounts paid to distributors are excluded from the new Medicaid pharmacy reimbursement methodology. Was this the Chairman’s intention?

Mr. GRASSLEY. I do recognize the valuable role drug distributors play in the delivery of prescription medication and our Nation’s health care and they intend to exclude prompt-pay discounts from the methodology.

I say to my colleague from Ohio that I will work with him to ensure that my intention to exclude the discounts is preserved through the conference and enacted into law.

Mr. VINOVIČ. Thank the chair and look forward to working with him in this effort. I know he agrees with me that it is necessary to establish a Medicaid pharmaceutical reimbursement system that might discourage manufacturers from paying distributors prompt-pay discounts if wholesalers pay their bill prior to their contractual obligation—a practice that has occurred for the past 30 years. We both understand that the drug distribution system has consistently ensured that every pharmacy in the Nation has access to prescription drugs in a timely manner. This system is highly concentrated but provides an extremely efficient delivery model that reduces health care costs to the overall health care system.

Within the system, pharmaceutical distributors are able to reduce the cost by minimizing the overall number of transactions required to distribute prescription drugs, over-the-counter products, and medical supplies. Nationally, wholesalers serve more than 130,000 customers. The typical distributor purchases products from an average of 850 vendors. These distributors take ownership of the products and responsibility for warehousing and distributing individual medications to pharmacies and other sites of care on a daily basis. This efficient model ensures that pharmacies have pharmaceutical products available for their patients.

I look forward to working with Chairman GRASSLEY to maintain this current drug distribution system and to ensure that when the legislation before us is enacted into law, it clearly excludes prompt-pay discounts from the pharmacy reimbursement methodology that are used to pay pharmacies for drugs dispensed to Medicaid beneficiaries.

MEDICAID BAD DEBT, COLLECTION

Mrs. LINCOLN. I will discuss today with my distinguished colleague from Idaho, Senator CRAPO, to discuss the change in Medicare policy as proposed in this budget reconciliation bill. I feel there is a need to differentiate between debt owed by individuals and debt owed by States. The sponsors of this policy argue that it will encourage skilled nursing facilities to be more efficient in the collection of bad debt. However, how can the facility be more efficient if the state simply refuses to pay the Medicare copayments through its Medicaid program? In 2003, nursing homes in my home state of Arkansas never received the $589,263 in coinsurance owed to them from the Medicaid program. This body should examine the root of this problem before implementing the bad debt policy in this bill. It is my hope that the conference committee considers this when examining this policy.

Mr. CRAPO. Senator LINCOLN makes a good point. While I support the Finance Committee’s goal of encouraging accountability and incentivizing the collection of Medicare bad debt by skilled nursing facilities, I do see the need to differentiate between debt owed by individuals and debt owed by States. I believe this conference should consider this point as well.

Ms. MIKULSKI. Mr. President, I would like to take this opportunity to say how deeply concerned I am over the wrong priorities in the spending reconciliation bill that is before us today.

The United States faces a Federal deficit of $331 billion for fiscal year 2005 alone, according to the Congressional Budget Office. This is a complete turn-around from when President Bush took office just under five years ago. He inherited a surplus, and turned them into record deficits. Unfortunately, that has not stopped Republicans from pushing relentlessly for the wrong priorities and irresponsible policies.

As a result, we now have encountered years of record deficits that have contributed to $3 trillion added to our country’s debt. Moreover, under President Bush’s watch, the debt to foreigner’s has doubled. Japan holds $680 billion of our debt, China holds $240 billion, and the Carribean Banking Centers hold over $100 billion. Increasingly, our fate is in the hands of their central banks and investors.

We must take action so that we don’t put this burden on our Nation’s future generations. The budget reconciliation process was designed for such a situation: to give Congress the tools necessary for deficit reduction. Reconciliation could have offered us the opportunity to work across the aisle to take responsible steps toward reducing the deficit.

Instead, my colleagues on the other side of the aisle seem to be intent on the wrong priorities. Take for example their opposition to Senator CONRAD’s commonsense amendment on fiscal responsibility. His amendment, called paygo, would have reinstated a rule meant to stop Congress from worsening the deficit, and would have required that it would have once again served as a check against irresponsible spending or new rounds of tax cuts at a time when the Nation cannot afford them.

My colleagues across the aisle say that tough choices are needed to get our fiscal house in order. I agree—we should balance the federal budget just as every American must balance theirs, unless a natural disaster or other national crisis demands it. Anytime Congress wants to raise spending—or lower revenue—Congress should pause and be required to stand up to vote and defend its action. That is what this amendment would have required, but Republicans voted against fiscal responsibility.

Today, we are debating the spending reconciliation bill for fiscal year 2006, but it is only half of the equation. This bill makes $39 billion in cuts to critical spending programs. Many of these cuts will directly hurt low- and middle-income Americans. The bill takes away Americans’ access to health care and affordable housing and jeopardizes their pensions. The bill attacks important conservation efforts by cutting funding and opening up the Arctic National Wildlife Refuge to drilling. But the bill stays silent on lowering energy prices for working families who can no longer afford to pay their monthly gas bills. Simply put, it leaves too many Americans out in the cold.

In several weeks, the Senate will be taking up a tax reconciliation bill. That bill will cut taxes by $70 billion, with an average giveaway of $35,500 for those making more than $1 million each year. Those with incomes between $50,000 and $200,000 would get just over $100 on average. The difference is striking, but not so much as the fact that this will all be done under the Senate’s...
The reconciliation—was designed to lower the deficit, not raise it. These tax cuts will undermine the cuts that the bill is making today to critical spending programs and will add an additional $31 billion to the deficit. This is irresponsible. It’s just another example of how the President’s allies in Congress have the wrong priorities and not the best interest of America, at heart.

What is most frustrating is the knowledge that final budget will likely be even worse than what we pass in the Senate. The House of Representatives plans to cut $50 billion in critical services, including student loans, food stamps, child support enforcement, foster care, and health care. Again, these cuts will not go to lowering the deficit. Instead, they will finance another round of tax cuts at a time when we also have staggering energy costs, a war in Iraq, many unfunded education needs, an exploding popoulation, and an unprecedented relief and rebuilding effort stemming from Katrina.

I believe we must work together to realign priorities so they reflect those of the American people. Working together, we can do better. I strongly urge my colleagues to vote against this misguided bill.

Mr. REED. Mr. President, I strongly oppose the so-called Deficit Reduction Omnibus Reconciliation Act of 2005. This bill and the Administration’s budget are fiscally irresponsible and reflect misguided priorities. As a matter of fact, the reconciliation bill at the end of the day will further increase the deficit by more than $35 billion over the next 5 years.

In 2 weeks, both the Senate Finance and the House Ways and Means Committees are expected to report a second reconciliation bill that will cut taxes by $70 billion. This $70 billion reduction in tax revenues, along with the net effect of all of the cuts that would eliminate the effect of the cuts to critical programs in the reconciliation bill that we are considering this week. With the enactment of two reconciliation bills, there is a real effort by this administration and the majority to perform a bait and switch on the American people.

Significant portions of the reduction that are achieved in this reconciliation bill are achieved by cuts in programs on which Americans rely. The Senate reconciliation package includes a total of $39.1 billion in spending cuts over 5 years, of which $10 billion will come from Medicaid and Medicare. The House reconciliation package could have cuts as high as $50 billion over the same period, with $9.5 billion coming out of Medicaid.

In contrast, the benefits of the second reconciliation bill that this body will soon undertake will go overwhelmingly to high-income individuals. The tax reconciliation bill is expected to extend many provisions from the 2003 tax cut that expire in 2008 to 2010 that lower the rate on dividend income and capital gains. Just extending these provisions through 2010 is likely to cost nearly $23 billion.

The bill before us today includes a series of spending reductions that target pharmaceutical and managed care reimbursement, curtail the definition of ‘targeted case management’ under Medicaid, and eliminate the ‘HMO slush fund’ under the Medicare Modernization Act of 2003 and the Federal Housing Administration’s affordable housing programs. The provision to update reimbursements for doctors will have a direct impact on seniors in the form of higher Medicare part B premiums.

Republicans have tried to disguise these cuts by restoring funding for the State Health Insurance Program SCHIP for States such as Rhode Island, allowing parents of severely disabled children to ‘buy-into’ Medicaid, and by increasing student financial aid.

Meanwhile, the House reconciliation bill is truly an even worse deal for low-income and vulnerable Americans, as it would impose new copayments on Medicaid beneficiaries and allow States to scale back coverage. It also would eliminate the current policy to limit the ability of elderly people to shed assets in order to qualify for nursing home care. And, for the first time, people with home equity of $500,000 would be ineligible for nursing home care under Medicaid.

The House bill also includes $844 million in cuts to food stamps, overturns a critical court ruling, Rosales v. Thompson, which allows for Federal support of abused and neglected children in foster care who reside with family members, weakens States’ ability to establish and enforce child support orders, and raises interest rates and fees that students pay on their college loans.

The reconciliation package takes almost $20 billion out of child support and student loans alone, compounding the effect on struggling working families.

I commend Chairman GRASSLEY and the rest of the Finance Committee for their diligence in attempting to craft a reconciliation measure that would not directly impact Medicare beneficiaries. By contrast, the House, targeted beneficiaries through increased Medicaid cost sharing among other program changes that will inevitably scale back coverage. It also would raise premiums.

In an effort to further minimize the impact of the reconciliation bill on these populations, I offered two amendments. The first amendment would restore Targeted Case Management services, TCM, to assist eligible high-need Medicaid beneficiary groups, such as children in foster care, children and adults with HIV/AIDS, children with developmental disabilities and mental retardation, individuals with substance abuse disorders and mental illness, and uninsured victims of sexual assault or domestic violence.

In an effort to further minimize the impact of the reconciliation bill on these populations, I offered two amendments. The first amendment would restore Targeted Case Management services, TCM, to assist eligible high-need Medicaid beneficiary groups, such as children in foster care, children and adults with HIV/AIDS, children with developmental disabilities and mental retardation, individuals with substance abuse disorders and mental illness, and uninsured victims of sexual assault or domestic violence.

The second amendment would strike the Banking Committee’s portion of the reconciliation bill that eliminates the ability of HUD to use the FHA General Insurance Fund to provide grants to help preserve FHA-foreclosed multifamily properties as affordable housing, under the current affordable housing crises in our country, the grants are more important than ever and should be maintained. I am disappointed that these and other amendments that would have addressed many of the inefficiencies of the bill failed.

One such amendment was Senator CANTWELL’s amendment to protect the Arctic National Wildlife Refuge from drilling. Earlier this year, the Senate Budget Committee included in the fiscal year 2006 budget resolution provisions that paved the way to arctic drilling. Senator CANTWELL offered an amendment to strike language authorizing arctic drilling from the reconciliation bill, which would undo this expansion of the budget process and permit an open debate of the issue. Unfortunately, her amendment failed. The bill not only opens up the Arctic to oil and gas development, but does so in a way that does not accord this pristine wilderness protection under existing mineral leasing laws and regulations, existing environmental protections, and existing rules of administrative procedure and judicial review. In short, it affords the Arctic Refuge less protection than current law affords other refuges.

The reconciliation bill also includes a provision that would extend agricultural commodity payments until 2011. Extending existing subsidy programs will continue policies that are bad for the environment. While the bill extends the life of subsidy programs and the life of conservation programs past 2007. These programs, which restore wetlands,
grasslands, and other wildlife habitat and protect farmland and ranchland are critical to meeting some of the Nation’s most significant environmental challenges.

In the wake of Hurricanes Katrina and Rita assuring home energy prices and stagnant wage growth, taking money from important federal programs in order to pave the way for billions of dollars in tax cuts shows how out of touch the majority and administration are with hardworking Americans.

The bill before us is lamentable, and I only hope that those who support it today will reassess their positions in the weeks ahead as we consider other reconciliation bills that will further add to our deficit and continue a path towards misguided priorities.

Mr. DURBIN. Mr. President, my Amendment No. 2415 would inject a dose of accountability and responsibility into America's efforts to rebuild the gulf coast and Iraq.

It will bar from all reconstruction efforts, both at home and in Iraq, all firms found—over the last 5 years—to have overcharged or improperly billed the government by more than $10 million on occasions it will also bar from all reconstruction efforts—both at home and in Iraq—all firms that have overcharged or defrauded the Government of more than $10 million over the last 5 years. It will also bar from all reconstruction efforts—both at home and in Iraq—all firms that have been suspended or debarred from competing for federal contracts.

It includes a national security waiver for those instances where dealing with such firms may serve the national interest.

These are serious penalties, but in both Iraq and on the gulf coast we face serious challenges, and we should not do anything less than our very best to face those challenges.

We cannot move forward on the gulf coast without looking at the administration's weak oversight of funds in Iraq. The amendment I offer today seeks to do that by assuring the American people that the Government will spend gulf coast reconstruction funds wisely.

The bill we are debating is ultimately about saving taxpayer dollars. Why should we be sending our companies, that have overcharged the taxpayer in the past?

We enjoy the privilege of living in a vastly diverse country of vastly talented citizens. In the country with the world's biggest economy, we don't need to rely on just a few privileged firms to do America's work.

We don't need over-billers, underperformers, or those who have defrauded the American taxpayer to do America's work. We need to trust and entrust America's work, and American taxpayer dollars, to firms that embrace hard work, accountability, and a sense of responsibility about the public trust into which they enter when they serve as a Government contractor.

America has countless firms that fit that bill. They come from across the gulf coast region and from across the country. This amendment simply helps assure that they will have a clear opportunity to shoulder the burden of rebuilding, by clearing away those firms that have abused the public trust.

Last Friday, the President announced that he would ask this Congress to approve $11 billion in hurricane emergency funding, taking it away from the Federal Emergency Management Agency's Disaster Relief Fund, and dedicating it to rebuilding and repairing of the gulf coast. The President wants the authority to replace critical infrastructure, facilities, and equipment damaged during this year's hurricanes. These are important projects addressing important needs, and I fully support them. We must move forward, but we have to do it right.

These are big projects, including the rebuilding of key stretches of Interstate 10, a main artery connecting Texas cities such as San Antonio to New Orleans and New Orleans to points east. The proposed projects include two Veterans Administration hospitals, major military bases, and other highways and bridges damaged by the storms.

This work will help shape the gulf coast region for a generation or more. We cannot afford to get it wrong.

Sadly, this administration has gotten it wrong before. On Sunday, the Special Inspector General for Iraqi Reconstruction, Stuart Bowen, released his latest report on reconstruction in Iraq. Bowen's report makes for sobering reading.

It tells a cautionary tale as we look forward to rebuilding our gulf coast communities. It paints a grim picture of what went wrong. It tells a story of administration hubris, lack of foresight, poor planning, poor execution, and the squandering of millions and perhaps billions of U.S. taxpayer dollars.

The Special Inspector General has warned us all that America’s ambitious reconstruction effort in Iraq, an effort managed by this administration, is, “likely to fall far short of its goals.”

We cannot let the same fate befall our gulf coast efforts here at home. We need to ensure—here at home—the accountability that the administration’s efforts in Iraq have sorely lacked. In both situations, the situation demands that we act with speed. In neither case, though, should we ignore our oversight responsibilities.

Special Inspector General Bowen's work assessing the administration’s Iraq reconstruction efforts reveals the challenges we now face at home.

Since November, Congress has appropriated $21 billion for Iraq reconstruction and relief. The President came to us that fall, seeking support for his ambitious plans to build Iraq anew, and in a bipartisan fashion, we gave him everything he asked for.

Billions of dollars later, Iraq is still struggling to rebuild.

As Michael O’Hanlon and Nina Kamp of the Brookings Institution described Iraq last month in the New York Times:

On balance, the indicators are troubling. Electricity production remains stuck at pre-war levels even as demand soars, and the power is off in Baghdad more often than it is on. Unemployment is stubbornly high. Infant mortality rates are still among the Middle East’s highest. And Iraq is the most violent country in the region, not only in terms of war casualties but of criminal murders as well.

How did we come to this pass?

Secretary Rumsfeld and his tight circle of Defense Department advisors—awash in unreality—failed to plan for occupation and reconstruction. Their plans for rebuilding postwar Iraq were, according to the Inspector General, “insufficient in both scope and implementation.”

The Coalition Provisional Authority managed Iraqi oil revenues placed in the Development Fund for Iraq money without keeping adequate records, and in too many instances, the money just vanished.

That is simply inexcusable, and there may be no way now to trace and recover those funds. But where can we track fraud and overbilling to specific companies, why should we keep giving money to the offenders? If they won’t protect the public trust, why should we trust them with new money?

Where is the accountability? Do we want any of the firms involved in the most egregious of these abuses handed new sums of money to rebuild New Orleans and the gulf coast?

Many of our Republican colleagues are demanding that we provide offsets for every penny we dedicate to Katrina reconstruction. In too many instances, they seek to place the burden for rebuilding the gulf coast squarely on the poor. Yet they failed to demand offsets, or even simple accountability, when the administration came to Congress looking for reconstruction funds for Iraq.

By adopting this amendment, we would promote honesty, transparency, and accountability in hurricane reconstruction and we would bar the door to firms that have abused the public trust. We need to learn from the gross failings we have seen in Iraq, learn and do better.
Now as I said earlier, the budget process requires us to take responsibility in balancing our books. But in the dense pages of the reconciliation package, we have lost sight of fiscal responsibility and are blithely ignoring several issues that will affect our budgetary futures for years.

After the Senate considers these budget cuts we will then vote on a set of tax breaks totaling $70 billion. It is no secret that the only reason we are looking at these budget cuts is to make up for the tax cuts the House would be argued will not make it in to the pockets of people that need it the most.

And oddly enough, some of the tax cuts that we will be voting on, such as the capital gains and dividends cuts do not even expire for another 2 years.

But even more baffling is the fact that neither this budget bill or the tax cut bill we will consider in the coming weeks takes into account the billions we have spent and will continue to spend in Iraq. Neither bill takes into account the billions of dollars we have spent and will spend in the gulf coast.

I haven’t voted for tax cuts in the past, and I will vote for them in the future but if we were truly being honest brokers this body would have the courage to look at all of our fiscal issues in a single package. Instead, we seem content to legislate in a vacuum where we refuse to recognize the reality of our fiscal situation.

We separate tax cuts bill from the budget bill, and the budget bill from emergency spending bill because deep down we know that we are wrong. We know that if we were to look at this fiscal puzzle as a whole, there would be no way to justify our actions. We would have to finally admit that we are being fiscally irresponsible.

Overall, this measure shows America that, instead of reaching out to help those in need our help the most in order to provide favors for special interest groups. I cast my vote in opposition to this bill: it does not reflect my priorities, and it certainly does not reflect America’s priorities.

Mr. President, I would like to express my serious concerns about efforts today, and possibly during the conference committee, that could dramatically cut Medicaid funding through this bill. Medicaid provides vital services for millions of Americans, especially persons with disabilities, children, and seniors. As we all know, access to health care is critically important for improving the quality of life and promoting greater independence for these individuals.

In my State alone, 17 percent of Arkansans depend on the Medicaid Program. An additional 1,000 Hurricane Katrina evacuees currently residing in Arkansas are receiving their health care through the State’s Medicaid Program. It is essential that State Medicaid Programs and patients get the
support they need, particularly at a time when States are facing budgetary crises and struggling to deal with skyrocketing costs associated with providing health care.

I understand that tough financial decisions have been made in order to keep this country’s fiscal house in order, but I do not believe it is fair that we require our seniors, our children, and the disabled to shoulder this burden. It is simply unacceptable to impose arbitrary cuts for a program that does so much to support families in need. I believe we can find appropriate savings in Medicaid without jeopardizing the health care of so many Americans, and this bill has substantiated measures to do that in the past. For example, I supported a bill to charge the Institutes of Medicine with evaluating Medicaid to find appropriate cost savings and improve efficiency within the program. But Angela Romney has my seat, left expressing their concerns for their children. Both of these mothers’ children participate in the Easter Seals program which relies heavily on Medicaid. Dana’s son Larry is able to live in an independent living facility because of Medicaid. Angela’s daughter Maya who has Down’s syndrome has been able to receive vital therapies to allow her to interact in a classroom setting and live more independently.

I am aware of the challenges many families, health care providers, States, and private payers for health care face under our burdened health care system. I appeal to my colleagues on both sides of the aisle to find a solution that meaningfully fund Medicaid and avoid gutting the program during conference negotiations.

Mr. BURNS. Mr. President, this week, the Senate is undertaking a significant Federal spending effort. This reconciliation package is an important part of that process.

I recommend the chairman of the Budget Committee for his efforts on reconciliation. He has been an outstanding advocate for fiscal restraint, while trying to respond fairly to the competing demands for increased spending. While I do have some concerns about cuts included in this bill, on the whole I think it is a balanced package that accomplishes meaningful constraints on Government spending.

One of the positives of this bill is the provisions relating to energy production in the Arctic National Wildlife Refuge. It is time to open ANWR for oil production to increase our domestic supply of petroleum. We need to look no further than the gas pump to see what happens when U.S. oil production lulls. High gas prices hurt Montanans and dependence on foreign oil hurts our national security.

The Energy Information Administration states that the coastal plain reserves in the 1002 Area are “the largest unexplored, potential productive onshore basin in the United States.” Studies by the U.S. Geological Survey, USGS, estimate that drilling in ANWR could yield up to 16 billion barrels of oil—an amount roughly equal to 30 years of oil imports from Saudi Arabia.

Most people don’t understand that the 1002 Area is only 1.5 million acres within the 19 million acre Arctic National Wildlife Refuge. This budget allows for development of only 2000 of those 19 million acres in ANWR. That means 99.99 percent of ANWR will be untouched. If this tragedy-filled hurricane season has taught us anything, we should realize that by concentrating our production and refinery capability in the Gulf of Mexico, we are risking supply disruption.

We need to do more offshore, and more onshore across this country. Last week, offshore oil production and gas development. The backdrop we face in processing permits for reasonable onshore production contributes to the energy crisis we are facing now. All segments of the economy are directly impacted by the costs of fuel to produce and move our output. From keeping warm in our homes to moving food to the market, the American taxpayer faces a tighter budget as a result of skyrocketing energy costs. We simply must consider all options when it comes to increasing production, and ANWR are an important part of that.

The United States has some of the strictest environmental laws in the entire world. We can safely and carefully produce oil within our own shores, or we can ignore our responsibility to domestically produce this resource. Royalty revenues from oil production in ANWR is expected to produce $2.5 billion for the Federal Government over the next 5 years alone, plus provide valuable jobs, and reduce our dependence on foreign oil.

It is time for this body to do the right thing and increase our domestic production of energy, and ANWR is a good place to start. So I applaud the work of the chairman of the Energy Committee for including ANWR in this budget.

I am also pleased with the provisions to transition to digital television transition. Setting a firm date of April 7, 2009, allows the FCC to make critical spectrum available for the emergency workers who protect our communities. Our first responders need access to this spectrum to ensure communications in times of national emergencies.

In a rural State like Montana, this spectrum can also be used to expand broadband access, linking rural communities not just for emergency needs, but for education, telehealth, and economic development.

The revenues generated by this spectrum auction generate billions toward paying down the national debt, but also give us the flexibility to address some other priorities, including education. The Senate has been able to include language in this bill that will provide an additional $75 million for essential air.

Thirty-seven States rely on essential air, but skyrocketing fuel prices are pushing that service. The provision I included will increase EAS funding over the next 5 years, and ensure that communities relying on essential air will continue to have transportation options.

One of the positives of this bill is the provision to open ANWR for oil production. This is especially important in a State like Montana, which ranks third-from-last in retention of first-year college students who continue on to their second year.

Not only are we increasing the overall aid available, but are also emphasizing the various critical benefits for students across the country. For first- and second-year college students, the loan limits will be increased to $3,500 for the first year and $4,500 for the second year. This is especially important in a State like Montana, which ranks third-from-last in retention of first-year college students who continue on to their second year.

The higher education reforms save $8.5 billion over 5 years, while still providing critical benefits for students across the country. For first- and second-year college students, the loan limits will be increased to $3,500 for the first year and $4,500 for the second year. This is especially important in a State like Montana, which ranks third-from-last in retention of first-year college students who continue on to their second year.

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I am pleased to see that this bill also establishes a new grant program to finance innovative outreach and enrollment efforts designed to increase enrollment and promote an understanding of the value of health insurance coverage. I expect this outreach and education program to be helpful in ensuring that those in need are not left behind due to the vastness of our state.

This bill will also extend the Medicare Dependent Hospital program, which provides financial protection to rural hospitals with less than 100 beds that have a greater than 60 percent share of Medicare patients. Many of Montana’s hospitals fall into this category, as our Medicare population, especially in the most rural areas, continues to grow rapidly.

Medicaid options are expanded through the Family Opportunity Act, so that parents of severely disabled children can go to work, without risking Medicaid benefits. New incentives are also offered for long-term care, and new resources are provided to help states combat fraud and abuse that steal money away from low-income families that need it the most. These are good reforms, and they will greatly benefit the families that need assistance most. Although there are certainly things I would change with this package, I urge my colleagues to support it. The American public must know that Congress is willing to make difficult choices to reduce runaway Government spending and use tax dollars wisely. This budget is a good start, and I look forward to supporting its passage.

Mr. President, I oppose the legislation the Senate is considering today. This bill does not reflect American values. Although proponents of the bill try to claim that this is a deficit reduction bill, it is not. This bill is only the first half of their budget policy. The second half, which we will see in the next session, provides tax cuts and increases tax dollars wisely. This budget is a good start, and I look forward to supporting its passage.

Mr. President, I stand ready to work with my colleagues toward the goal of deficit reduction. However, the reconciliation process underway in Congress today, in fact, will exacerbate our runaway deficits.

I vehemently oppose this bill. I urge my colleagues to join me in defeating it so that we can make real progress toward improving our Nation’s budget situation in a way that is consistent with our American values, especially in the context of a fiscal policy that is focused on giving additional tax cuts.

On the education front, the reconciliation package included by voice vote in the context of a financial policy that is focused on giving additional tax cuts.

In a broader sense, I am very concerned about what this bill says about the state of Congress’ budget process. I am afraid that the budget reconciliation process that was originally intended to help Congress enact difficult policies to reduce deficits is being utterly abused by the majority to enact policies that not only cannot garner broad support but do nothing to improve our nation’s fiscal situation. The unique role of the Senate is undermined when the reconciliation process is used to enact policies that are not related to deficit reduction, most egregiously in this bill.

Today, Federal Reserve Chairman Greenspan testified to the Joint Economic Committee that unless reversed the nation’s “budget trends will cause economic disruptions, and that is truly compassionate toward the least fortunate of our fellow citizens.”

Mr. President, I also wanted to make a brief statement about the fundamental importance of providing help and support to the families devastated by Hurricane Katrina. This is an unprecedented disaster. Many families lost everything they own and they have been displaced for months, and that sadly will continue to be the case for some time.

For weeks, I joined Senators Grassley, Baucus and others to fight for legislation to expand health care coverage for these needy families. Today, I voted for Senator Lincoln’s amendment to expand Medicaid coverage to help the evacuees of this disaster, and I am disappointed that this amendment failed by a vote of 52 to 47. These families need and deserve health care. It is tragic that the Senate refused to help vulnerable Americans.

On the education front, the reconciliation package included by voice vote an Enzi-Kennedy amendment to provide support to the schools that have
Mr. DODD. Mr. President, I rise today to express my opposition to the spending reconciliation bill, which has been misleadingly titled the “Deficit Reduction Omnibus Reconciliation Act of 2005.” As some of my colleagues have noted, the reconciliation bill today is only one-third of the budget reconciliation picture—the other two pieces are a tax cut bill and a bill to increase the debt limit. Taken together, this package of reconciliation legislation would increase the deficit and impose greater costs on some of the most vulnerable members of our society. It would also allow for drilling in the Arctic National Wildlife Refuge, which would be enviromally unsound and detrimental to reducing our dependence on foreign oil. The bill fails to reflect the priorities of the people of our nation and it fails to seriously address the major challenges we face as a Nation.

We are living today in an increasingly global society, one that presents tremendous opportunities. But with those opportunities come challenges. Today, countries like China and India are becoming increasingly attractive for venture capitalists interested in investment, for students interested in higher education, and for companies interested in labor that is not only inexpensive but also uneducated and untrained, too. With economic development and expansion have come greater competitive pressures.

Our labor market is under strain—real wages are stagnating, health care is becoming unaffordable, and пенсион benefits are being eroded and cut. The science and math scores of our high school seniors are at the bottom of the pack of industrialized nations. And we are the only nation in the developed world where literacy levels of older adults are higher than those of young adults.

Our Nation faces a choice. Are the administration and Congress going to respond to new challenges in a sensible and progressive way, or are they going to ignore the facts and adhere to policies that have brought Americans higher deficits, higher unemployment, and lower incomes? Will they continue to hold to the primitive philosophy that lower taxes on the most affluent, higher education, and for companies in America, will somehow magically restore us to our place of economic preeminence in the world.

This view is naive and betrays a fundamental misunderstanding of our history. Our economic success has not been achieved despite investments we made in our people, but because of the not-so-benign neglect that characterized much of our current national economic policy is not a strategy for success. It’s an excuse for complacency, and ultimately a recipe for mediocrity.

Regrettably, this reconciliation package continues failed policies that will only continue to erode our Nation’s place in the world.
First and foremost, the budget reconciliation package takes the worst fiscal record of any president in history and makes it worse. It takes procedural rules specifically designed to reduce the deficit and uses them to increase spending by $35 billion, but part two will provide tax breaks costing even more—$70 billion.

The budget irresponsibility is not an isolated case. Under President Bush, the Federal budget has gone from a surplus of $236 billion in 2000 to a deficit of $319 billion in 2005. The national debt has risen by nearly two and a half trillion dollars since 2000, totaling roughly $8 trillion as of this morning. That amounts to $27,041.81 for every man, woman, and child in the United States. Every minute in 2005, Republican lawmakers have added $1,048,952 to the national debt.

As we have borrowed more, we have been forced to rely increasingly heavily on foreign lenders—particularly the central banks of countries like China and Japan to fund our profligate ways. Foreign holdings of U.S. Treasury debt have more than doubled under the Bush administration from $1.01 trillion in January 2001 to $2.06 trillion in August 2005. Japan now holds $694 billion of that debt and China now holds $246 billion. We are playing a dangerous game here by relying so heavily on borrowing from abroad.

Some in this administration have reported that deficits don’t matter. I strongly disagree. By blowing a massive hole in our budget, this administration and the Republican majority in Congress have seriously jeopardized our ability to meet the needs of our nation in the long term.

The cost of the Bush administration’s deficits is reflected right here in this spending reconciliation bill. In order to pay for just a small piece of the Bush tax cuts for the most affluent, the Senate plan would implement harmful cuts that would fall disproportionately on working Americans and the most vulnerable in our society.

For example, this bill cuts funding for Medicare and Medicaid, which provides health care to poor children, working men and women, the disabled, and the elderly. It cuts funding to rehabilitate FHA-insured multi-family housing. It dramatically increases the premium paid by pension plans to the Pension Benefit Guarantee Corporation, the Federal pension insurer, making it more expensive for companies to offer defined benefit pension plans for their employees.

We have to pay more for critically needed services and access to Medicaid services could be limited for some beneficiaries.

As bad as the cuts are in the bill before this body, the companion legislation in the House of Representatives is much, much worse. It contains food stamp cuts for roughly 300,000 people, most of them in working families. It contains Medicaid cuts that would reduce health care costs for roughly 6 million children, as well as many low-income parents, the elderly, and people with disabilities. And it contains cuts in child support enforcement, child care assistance, and Federal foster care assistance.

So let us not be under any illusions: any conference agreement with the other body is likely to be even more harmful to the well-being of Americans.

The reason for these cuts is to pay for a small portion of President Bush’s tax breaks for those who need them least. More than 70 percent of the benefits of the Bush 2001 and 2003 tax breaks go to taxpayers with the highest incomes, according to the nonpartisan Tax Policy Center of the Urban Institute and the Brookings Institution. More than 25 percent of the tax-cut benefits have gone to households earning more than $200,000. I believe that these priorities are seriously out of step with the values of this Nation.

In addition to cutting assistance for the poor to pay for tax cuts for the wealthy, this legislation would open the Arctic National Wildlife Refuge to oil and gas drilling. Not only would such drilling be incredibly damaging to the region’s fragile ecosystem, it would do nothing to reduce our Nation’s dependence on foreign oil. Reasonable estimates project that drilling in the Refuge would provide only enough oil to satisfy U.S. demand for 6 months. Moreover, this supply would not even come on-line for 10 years. The belief that our country can drill our way out of dependence on foreign energy sources is misguided.

As a nation, we face significant challenges in both the short and long term. Americans are concerned about finding and keeping good jobs, paying for soaring energy prices, and whether they will have good health care when they need it. They are concerned about hurricane disaster relief and rebuilding assistance, and preparedness for the threat of an avian flu crisis. They are concerned about the war in Iraq and protecting the homeland from terrorist attacks. They are concerned about our education system and our competitiveness in the global economy.

The budget resolution—and the reconciliation legislation that carries out its instructions—is a statement of priorities. Unfortunately, the bill before this body today fails to seriously address the concerns of American families and businesses.

We can do better than this legislation. We can do better than harmful cuts for the poor and for children and for seniors. We can do better than using these cuts to pay for tax breaks for the most well-off in our society—who are, by the way, hardly clamoring for the kind of tax largesse that this Administration and its allies in the Congress insist on heaping upon them.

We should be investing in our society, our education, and our knowledge base. We should be investing in science and technology and research and development. This legislation is not about investing in America. It is about fiscal irresponsibility in the name of tax breaks for those who need them least. Therefore, Mr. President, I cannot support this bill.

While I am unhappy with this reconciliation package overall, I am pleased that this bill does contain lifesaving legislation that I have introduced the past two Congresses that will provide Medicare coverage for screening for a dangerous condition known as abdominal aortic aneurysm—or AAA—a silent killer that claims the lives of 15,000 Americans each year. AAAs occur when the walls of the artery begin to bulge, most often very slowly and without symptoms, and can lead to rupture and severe internal bleeding. AAA is a devastating condition that is often fatal without detection, with less than 15 percent of those afflicted with a ruptured aorta surviving. Estimates indicate that 2.7 million Americans suffer from AAA. Further, research indicates that when detected and treated, AAAs are treatable and curable in 95 percent of the cases. And while most AAAs are never diagnosed, nearly all can be detected through an inexpensive and painless screening.

I want to thank my colleague Senator Jim Bunning for joining me in supporting this important and lifesaving legislation. When we first introduced this legislation in the last Congress, we were joined by patients who had suffered a ruptured AAA and their families. At this event these patients shared with us their harrowing and personal stories of battling this deadly condition. It is because of struggles like theirs that we are here today at the outset of an effort to prevent abdominal aortic aneurysms from advancing to the point of rupture by providing coverage for a simple yet lifesaving screening. Simply put this legislation is about saving lives and I am pleased that it is contained in the bill passed today.

Finally, I would also like to say a brief word about the amendment being offered by Senator Byrd that deals with the issue of H-1B and L-1 visas. His amendment would strike the text in the underlying bill dealing with immigrant worker visas and replace it with a $1,500 fee for employers who file a petition to hire a foreign worker under the L-1 visa program.

Immigrant worker visas is a critical issue that this body must address. It is a matter of national security, of overall economic well being, and of protecting American workers. Simply put,
the underlying bill is not the appropriate place to address such critical and complicated immigration issues as the H-1B visa. So I thank Senator BYRD for offering his amendment. I strongly support it and I hope that my colleagues will as well when it comes to a vote.

Mr. FEINGOLD. Mr. President, today's vote is the first part of a three-step budget reconciliation package that actually leaves this Nation's budget worse off than it is now, not by tens of millions of dollars, which would have been a disservice to the American public, but by tens of billions of dollars.

Using reconciliation to push through legislation that will worsen our budget deficit and add billions more to the mountain of debt our children and grandchildren will have to pay is a perversion of a process designed to expedite measures to reduce the deficit.

Reconciliation was intended to help facilitate enactment of steps to help reduce the deficit. It is ironic, to say the least, that it should be used to aggravate our budget deficits and increase our massive debt.

No one who has served in this body for the past 10 years, and especially the past 4 1/2 years, should pretend to be shocked, however. This is the latest abuse of a reconciliation process that in recent years has been the principal enactment of the most reckless fiscal policies in recent history.

But for even the most cynical, there are new lows in this bill, most notably the use of reconciliation to jam through a controversial policy measure to permit drilling for oil in the Arctic National Wildlife Refuge. At the very least, the Senate should be allowed to conduct a full and open debate on this misguided decision to undermine the crown jewel of the National Wildlife Refuge System. To say that the inclusion of this provision in the reconciliation package is based on dubious revenue assumptions would be kind. By perverting the budget process to push through oil and drilling in the Arctic Refuge, the majority has successfully squandered away the legacy of environmental stewardship initiated by President Eisenhower in 1960.

Also of concern are the significant changes to the Medicare and Medicaid programs, cutting programs that offer critical health care services to people who most need it. The Senate package does adopt some positive changes, such as cutting the Medicare Advantage subsidy fund, preventing Medicare cuts to physician payments, and protecting inpatient rehabilitation hospitals. Unfortunately, the President has made it clear that he does not support many of the provisions that will protect beneficiaries, but instead would rather give money to insurance and pharmaceutical companies.

The administration has stated that it prefers provisions offered in the House budget package. The House plan for Medicaid cuts includes cutting programs for children, pregnant mothers, the disabled, and the elderly, while including stipulations to shift costs onto already poor and vulnerable populations. This bill will result in considerable shortsightedness that could negatively affect multiple generations of American families, and I am deeply concerned about the possibility of a final conference report that adopts the House approach on these issues.

In one of the few bright spots in this package, the Agriculture Committee overwhelmingly and in a bipartisan manner proposed an extension of the Milk Income Loss Contract, MILC, program as part of its reconciliation package. This committee action and the lack of an attempt to remove the extension on the floor show the strong support for this vital dairy safety net. I renew my call to the administration to stop its campaign to undermine this committee's strong support and actively work with members of the House to reaffirm the Senate's strong support for MILC.

I close by cautioning my colleagues in the majority that the preconditions in the reconciliation package—bills and being set in this one lay the groundwork for the leveraging through of policies they may find troubling the day Democrats become the majority party in the Senate. And that day will come.

My friends across the aisle may be thinking, "We have nothing to lose. When Democrats take control, there will be enough of them who will object to the kinds of abuses of the reconciliation process in which we engaged."

Well, if that is their thinking, they may be right. But I suggest that it is an unreliable strategy. The best protection against possible Democratic abuse of reconciliation in the future is to ensure the ground is well defended. When they are intended at all times, not just when they serve your immediate policy objectives.

Using reconciliation to enact controversial energy and health policies is an abuse of that process. Using reconciliation to enact legislation that will worsen budget deficits and increase the debt is an abuse of that process.

And, please, let's not waste the Senate's time with arguments that somehow this particular bill before us isn't an abuse because this bill, by itself, does not worsen the deficit. No matter how many pieces you slice it into, the reconciliation package will leave us with bigger deficits, not smaller ones.

When Congress and the White House become serious about cleaning up the fiscal mess they created, and when they are willing to spread the burden of that clean up across all programs—defense and nondefense discretionary programs, entitlements to these programs, and the spending done through the Tax Code—I am ready to help. But so long as we see reconciliation measures that are contemptuous of the principles on which reconciliation was based, I must oppose them.

Mrs. BOXER. Mr. President, I strongly oppose the reconciliation bill before the Senate. The bill would cut vital programs for the middle class, elderly, and the poor in order to pave the way for yet another tax cut for the richest individuals in the county.

Hurricane Katrina focused the Nation's attention on America's poor and displaced. In the wake of the storm, the people demanded that Congress act to help Americans in need and were justifiably angry at the administration's slow and inadequate response. Americans recognize that their government should aid those in distress in order to make this a better country for everyone.

That is why I cannot believe only 2 months after Katrina, we have a bill that would cut Medicare and Medicaid by $27 billion, increase Medicare premiums, squander away the legacy of affordable housing, and cut support for our farmers by $3 billion.

Even worse, the House of Representatives is looking to make even deeper cuts to Medicare and Medicaid and to cut the food stamp program, child support enforcement, the foster care program, and student loan programs.

These cuts will harm millions of Americans.

And why are the Republicans doing this—to reduce the deficit, which is spinning out of control, but to provide tax cuts for millionaires that will at the end of the day actually increase the deficit.

The tax portion of the reconciliation package will provide $70 billion in tax breaks—$30 billion more than the proposed spending cuts. In a perversion of the budget reconciliation process, the Republicans will be adding to, not decreasing, the Nation's $8 trillion debt. These cuts will cut $70 billion in tax breaks will go to the wealthy. People making over $1 million a year will get an average tax cut of $35,491. In comparison, those making between $50,000 to $200,000 a year will get a break of $122. And those making less than $50,000 a year will get an average tax cut of $6.

That means that people who are most hurt by the spending cuts—the middle class, seniors, and the poor—will get almost no benefit from the tax cuts.

The reconciliation package also is a windfall for big oil. It would allow them to drill in one of America's most pristine areas—Alaska's Arctic National Wildlife Refuge. Fragile wilderness will be opened, threatened, and ultimately ruined for the sake of 6 months' worth of oil.

What makes America the greatest Nation in the world is our sense of community and compassion. Americans look out for each other, and our government should do the same.

The budget reconciliation package reflects none of the core American values of compassion and equity. Instead,
it harms those who are most vulnerable in order to benefit the rich and a handful of special interests.

For these reasons, I cannot support the budget reconciliation spending bill and will vote against it.

Mr. President, Earlier today, an amendment I have worked closely with Senator DODD from Connecticut on was passed as part of the budget reconciliation package. The amendment is based on legislation we introduced that would provide one-time screening benefit for abdominal aortic aneurysms, AAAs, under Medicare for certain, eligible beneficiaries.

I am pleased this amendment was accepted, and I appreciate the hard work from Senator DODD in helping get this amendment passed. I hope that we can continue working to ensure that this provision is included in the final reconciliation package.

AAAs occur when there is a weakening of the walls of the aorta, the body's largest blood vessel. The artery begins to bulge and can lead to a rupture and often severe internal bleeding. In cases where an artery ruptures, the survival rate is less than 15 percent, and 15,000 people die from ruptured abdominal aortic aneurysms each year.

When detected before rupturing, AAAs are treatable and curable in 95 percent of cases. Nearly all AAAs can be detected through an inexpensive ultrasound screening. Once detected, a physician can monitor small aortic aneurysms and begin treating the risk factors, such as high blood pressure and smoking. Large or rapidly growing aneurysms are often treated using either an open surgical procedure or a less invasive stent graft, both of which serve to repair the artery.

It is estimated that between 5 to 7 percent of adults of the age of 60 have AAAs.

Our amendment targets AAA screenings to Medicare beneficiaries with a family history and those who exhibit risk factors recommended for screening by the U.S. Preventative Services Task Force, specifically men who smoke. The amendment also limits screening to those eligible beneficiaries who participate in the Welcome to Medicare Physical.

This amendment could save thousands of lives each year, and I am pleased we were able to include it in this package.

Mr. KOHL. Mr. President, I am in reluctant but adamant opposition to the reconciliation bill before us. I say reluctant, because I'm glad to see the Senate using the reconciliation procedure for the purposes for which it was intended: making difficult choices to reduce spending. And reluctant because some of the policy changes incorporated in this bill are necessary and worthy of support.

One such provision relates to extension of the Milk Income Lost Contract, MILC, program. MILC, which expired at the end of the last fiscal year, provides counter-cyclical support for the nation's dairy sector. It is targeted. It is fair. It is essential. Moreover, it enjoys the President's support. It makes sense as part of the balanced Agriculture budget this year.

But my opposition to the entire package is adamant because this bill is just one piece of a fiscally and morally bankrupt budget. Though this bill asks for sacrifices from seniors, students, farmers, and other families, the budget of which it is part will add over $30 billion to the deficit over the next 5 years. Though this bill makes real cuts in Medicaid, Medicare, aid to farmers and funding for conservation programs across the country, the budget of which it is part will add $2 trillion to the national debt by 2010.

If this bill was what many on the floor have argued—a carefully crafted compromise to cut $38 billion from our growing federal deficit, I would have to think hard before opposing it. But the budget calls for today's bill to be followed with $70 billion tax cut, the bulk of which will go to those with more than $1 million in annual income.

I am willing to make the hard choices today to bring our budget deficit down. I am not willing to support taking needed services away from those that need them the most—and use those cuts as a fig leaf to hide tax breaks for those who need them the least.

Our budget is the most basic expression of what we stand for as a government. Is this budget really what we want to vote to say? That we are the sort of country that threatens our own economic stability by piling deficit upon deficit? That we show our fiscal toughness by chopping aid to those in need? That we show our compassion only to those whose biggest problem is finding a really good tax shelter for their growing capital gains?

Make no mistake, this bill is the first piece of the budget that says just that, and for that reason alone, it deserves our solid opposition. But beyond that, there are individual provisions in this bill to which I take exception. One is the use of this bill's extraordinary fast track procedures to accomplish what big Oil's proponents have not been able to get through the Senate in the past: opening the Arctic National Wildlife Refuge to oil drilling.

I have long supported protecting this valuable and fragile natural wonder, and I think it is unfortunate that we are drilling in this wilderness for a relatively small payback. Those on the other side of this issue who use the current high price of oil to justify the violation of this pristine area are short sighted. According to the Department of Energy's own analysis the oil from the refuge will only lower the price of a barrel of oil by one penny. In addition, the bill would not come on line for almost a decade. Instead of threatening our natural heritage, I believe we should be looking instead at encouraging conservation efforts, and taking a careful look at high oil company profits. We do need to act to lower our dependency on foreign oil, but we cannot drill our way out of dependency.

I am also particularly disappointed that the bill we are considering today contains harmful program cuts that would fall disproportionately on the most vulnerable in our society. This legislation cuts funding for health care provided through the Medicaid program, which provides health insurance to poor children, pregnant women, and elderly. My Republican colleagues argue that we must cut waste and fraud in Medicaid and I am not opposed to that. However, I do not agree with the arbitrary way they have gone about cutting funding from this critical safety net program—without which millions of Americans would be uninsured—and using that money to pay for tax cuts for people with high incomes.

I am also concerned about the administration's fiscal irresponsibility. In the past 5 years, the President's policies have turned record surpluses into record deficits. Just a few weeks ago, the Department of Treasury announced that this year's budget deficit is the third largest in history at $319 billion. But that is not where the bad story ends.

By sleight of hand, the administration continues to use other resources to finance deficit, including foreign lenders and Social Security. The real deficit is a staggering $551 billion, 4.5 percent of GDP.

Administration officials are nonchalant about the fiscal disarray. I am deeply worried. We all should be.

On October 18, the national debt passed the $8 trillion mark. Even more disturbing, the national debt is being financed by Chinese, Japanese, and other overseas lenders. To put this into perspective, in absolute dollars, the country is borrowing more than ever in its history, close to $2 trillion from foreign nations. We owe over $680 billion to Japan, $390 billion to the European Union, $240 billion to China, and $57 billion to OPEC nations, to name a few.

It is beyond me how this administration can turn a blind eye to these numbers, or how Congress can approve legislation that exacerbates these fiscal problems.

Instead of facing up to the fiscal truth, President Bush ignores the mountain of debt that will burden generations to come.
First, this President shortened the budget timeline from 10 years to 5 years. Relying on this kind of gimmickery covers up for the President’s destructive fiscal decisions, especially as they relate to tax cuts for the rich. Second, this Republican Congress voted against a system to keep the budget in balance. I am referring to the pay-go rule endorsed by Federal Chairman Alan Greenspan and former Secretary of Treasury Robert Rubin. Pay-go would have required an offset for any revenue that would have ensured a balanced approach to tax cuts. Unfortunately, Republican congressional leaders opted for shunting aside integrity in budgeting. They back pay-go in name, but not in practice.

By any standard, the decisions to ignore a 10 year budget timeline and disregard balancing methods have caused massive red ink and send the country precisely in the wrong direction. In fact, Federal Reserve Chairman Alan Greenspan put it this way: “The federal budget deficit is on an unsustainable path, in which large deficits result in rising interest rates and ever-growing interest payments that augment deficits in future years . . . Unless this trend is reversed, at some point these deficits will cause the economy to stagnate or worse. I fear this reconciliation package, coupled with the administration’s tax cuts, will lead us to even worse times. Reconciliation is simply asking too much of middle income families who are facing cost increases for basic needs.

For instance, energy costs to heat one’s home have increased 20 percent from last year. Education costs for public universities have increased 7.1 percent. Interest rates that impact college loan payments have doubled over the last 10 months. And, gas prices have increased 19 percent over the last 4 months. Instead of assisting families with these increased costs, raising the standard of living for the poor, or improving the opportunities to attain a college education, this package adds to financial pressures.

For health care alone, premiums have climbed higher than $10,000 for families, and this bill will do nothing to reduce out-of-pocket health care spending.

More perniciously, what the bill does is cut $10 billion in health care spending for the poorest Americans. While the bill provides a 1-year temporary relief to physicians, a 1 percent increase in Medicare reimbursements is not enough. This is a Band-Aid fix, at best. When expenses to practice are increasing at a rate of 3 to 5 percent annually, a 1-year 1 percent increase in reimbursements is insufficient. In my State, where the cost of living is beyond the reach of many Californians, doctors choose not to see any new Medicare patients or are retiring early due to low reimbursement levels.

To make matters worse, the temporary relief for physicians in the bill is borne on the back of Medicare beneficiaries in the form of higher Part B premiums. This provision will directly increase the amount Medicare beneficiaries pay each month in premiums by $2.90 in 2007. That is a 33 percent increase in monthly premiums. While it is vital that Congress prevent future cuts in Medicare reimbursement to physicians, the provision in this bill amounts to a hidden tax on seniors. That is unacceptable.

Further, it is no secret that increased debt puts pressure on inflation. In just this past year, the Federal Reserve enacted 11 consecutive interest rate increases. This means the American people will have to make higher mortgage payments, pay higher interest, and for those who own debt, it will take even longer to pay off credit cards. For some, this bill will put a college education out of reach. Middle-income families, who have no choice but to borrow money for college, will struggle even more to pay tuition bills.

Due to increases in basic needs, there are 1 million more Americans living in poverty this year than there were last year. Not only does this budget reconciliation do nothing to reduce the number of Americans at risk of poverty due to higher health care costs and reduced access to social services and education. As for the environment, this reconciliation blatantly undermines the natural wonders of our country. Shamefully, it opens the Arctic National Wildlife Refuge for drilling to already profit-soaked oil companies.

And, if that is not enough, this administration’s fiscal policies force us to pay not only to the Social Security Trust Fund, but to foreign nations.

At any point, foreign countries can stop investing in the dollar, and any small movement could have a significant and immediate impact on the fiscal stability of our Nation’s currency. Does this Congress believe it is good foreign policy to put our economic interests and security in the hands of China, Japan, and the European Union? Let me be clear, this budget reconciliation is asking Americans to: pay more in interest payments, pay more in health care premiums without improving benefits, borrow more from foreign lenders to change our habitat and environment, and leave an even larger bill for future generations to pay.

We should be talking about helping American families, not punishing them with new fines. And, for what good reason? None whatsoever.

The Bush administration’s Pavlovian response to everything thatills the economy is: tax cuts—not to middle- and low-income families, who need it most, but, instead, to the wealthiest Americans.

The wealthiest Americans have received tax cuts that are 140 times the size of the average tax cut for middle-income families. That means millionaires have received an average tax break of $100,000 a year while middle-income families have received a mere $742.

Let me be frank, the President’s tax cuts do not help working Americans. In fact, the after-inflation wages of the average American earners have dropped for the first time in a decade.

Meanwhile, the President’s tax cuts account for 57 percent of the deficit increase. In fact, President Bush’s tax cuts are more expensive than all spending increases combined, including new spending for homeland security, the war in Iraq, operations in Afghanistan, expanded antiterrorism efforts, and all domestic spending increases. It is a fiscal record of excess and recklessness.

And without batting an eye, this President goes right along, reiterating his intention of making tax cuts permanent—at a cost of $1 trillion over 75 years—asking it of us even in the wake of hurricanes, rising gas prices, increasing interest rates, and higher health care costs, this administration will continue to push for lining the pockets of the wealthy.

I believe we can do better. I believe we can bring fiscal responsibility back to the budget process and help middle-income families. We have done it in the past. We can do it now.

In 1982, Ronald Reagan agreed to undo a significant share of tax cuts to combat the substantial budget deficits.

Ten years later, President George H.W. Bush changed his position on taxes and signed a bipartisan deficit-reduction package.

More recently, in the late 1990s, after inheriting a national deficit totaling 4.7 percent of GDP, the Clinton administration turned deficits into our first budget surpluses since 1969.

Today, with the national deficit including trust fund accounts reaching 4.4 percent of GDP, it is time to do the same.

In the words of Former Secretary of Treasury Robert Rubin:

We are at a critical juncture with respect to the longer-term future of our economy, and the outcome at this juncture will be enormously affected—for good or for ill—by the policy action we take in response to the great issues we face.

It is time to have the courage to act responsibly. This so-called deficit reduction package is not what it claims to be. Yes, it will cut spending by more than $30 billion, but in a few weeks these savings will be spent on tax breaks for the rich. In the end, this reconciliation package titled “Deficit Reduction” will actually increase the deficit by $36 billion. This fiscal strategy edges us closer to fiscal insanity and leaves our children and their children impoverished and riddled with debt.

The first step to doing better is voting no on this reconciliation—no on this reconciliation bill.

Mr. JOHNSON. Mr. President, in order to meet its reconciliation instructions, the Banking Committee
recommended that S. 1562, the Safe and Fair Deposit Insurance Act of 2005 be included in the banking title of the budget reconciliation bill.

Earlier this year, I joined with Senators ENZI, HAGEL, and ALLARD in introducing legislation, which has garnered strong bipartisan support and was overwhelmingly approved by the Banking Committee last month. Additionally, it has the strong support of the administration, Treasury Department, the Federal Deposit Insurance Corporation, and the financial services industry.

Deposit insurance is one of the cornerstones of our country’s financial system. It protects depositors against risks they cannot control, ensures stability, and allows deposits to remain in our local communities. This important legislation will ensure that deposit insurance maintains its strength even during times of economic weakness.

Borne out of the need to promote financial stability during the Great Depression, deposit insurance has served depositors well by providing stability to banks and to the economy, and it is especially critical to our Nation’s smaller financial institutions and community banks.

While there have been differing opinions as to how deposit insurance should be reformed, there is general agreement that the system needs to be reformed and modernized. The banking industry is rapidly evolving and is becoming increasingly complex and sophisticated. Yet the last time any change was made to our system of deposit insurance was over 20 years ago. Reform is long overdue. The time has come for the system that was put in place to promote the stability of the banking system be appropriately reformed to keep pace with the evolution of that system.

Depositors must have confidence that their hard-earned money is protected, including the funds that cover their daily living expenses to the funds they are saving for retirement and a rainy day. To that end, this legislation introduces some very key reforms.

First, it merges the bank insurance fund with the savings association insurance fund to create the deposit insurance fund. By doing so, we create a stronger and more diversified fund, and eliminate the possibility for disparities in premiums between banks and thrifts.

Second, insurance premiums will be risk-based to ensure that banks pay based on the risk they pose to the system, and the FDIC will be able to price insurance premiums accordingly. The current system does not allow for premium assessments to be based on risk, and therefore, safer banks are subsidizing riskier banks. This inflexibility will be eliminated and the assessment burden will be distributed more evenly and fairly over time. When the deposit insurance is priced for risk, whether the coverage limit is higher or lower is less relevant. Banks will have to pay higher premiums for riskier behavior, reducing any moral hazard. It is important to note, however, that in developing a new risk based premium system, the FDIC should not negatively impact the cost of homeowner-mortgages or discourage saving by charging higher premiums to institutions simply because they fund mortgages and other types of lending through advances from Federal Home Loan Banks. Congress reaffirmed this relationship between community lenders and Home Loan Banks most recently in the Gramm-Leach-Bliley Act, and deposit insurance reform is not intended to impose any financial cost on the relationship through direct or indirect premiums.

Third, the FDIC will have the discretion to periodically index coverage levels for both general and retirement accounts to keep pace with inflation. This is a compromise made in order to secure the Bush administration’s support. Frankly, I feel some form of automatic indexation would be far preferable, and I am disappointed that indexation is left as a discretionary matter. The real value of deposit insurance coverage is now less than half of what it was when it was set at $100,000. By increasing the level of coverage for retirement accounts, we are adjusting for the real value of coverage. Insuring retirement accounts up to $250,000 will keep the coverage level up with inflation and will promote financial stability for individual retirees. Retirement accounts are the only accounts under this bill that will get a higher coverage level. I believe in the current environment, with the uncertainty surrounding social security and pension benefits, that it is critical that we provide appropriate coverage for the hard-working Americans who have saved for their retirement and long-term care needs. This legislation strikes the appropriate balance in that regard.

Finally, I would be remiss if I did not recognize the banking community in South Dakota for the invaluable and many hours of hard work, and to the many members of the Senate, Presidents SHIELLY, and Ranking Member SARAHAN for their leadership, Senators ENZI, HAGEL, and ALLARD for the hard work, and FDIC Chairman Don Powell for his commitment to deposit insurance reform.

Mr. SALAZAR. Mr. President, I voice my opposition to the reconciliation bill before the Senate today. America can and should do better. This bill, which masquerades as a vehicle to help the country with the bottom line, when fuel prices are at a record high and many rural areas in Colorado across the country continue to feel the effects of weather-related natural disaster, is simply a vehicle to reduce agriculture’s budget when fuel prices have been forced to take $3 billion worth of cuts. These cuts will come out of the programs that farmers, ranchers and rural communities count on most, including commodity program payments and conservation programs like the Conservation Reserve Program, CRP. During my time in the Senate I have spoken many times about my concern that too often Washington leaves our rural communities to wither on the vine. I believe that this budget reconciliation package only contributes to their decline.

This bill moves in the wrong direction when it comes to health care and education. The bill provides student aid by over $7 billion, creating less opportunity for young Americans when we should be in the business of creating more. It makes deep Medicaid and Medicare cuts, hurting the poor, elderly, and disabled struggling with healthcare costs. Because of this bill, seniors will see a 33 percent increase in premiums for Medicare Part B. Because of this bill, independent, community pharmacies, particularly in rural areas, will see a change in reimbursement formulas that could force them to close their doors, further eroding access to health care in this country.

This bill moves in the wrong direction when it comes to the environment and to energy policy. It would open the pristine Arctic National Wildlife Refuge to oil drilling. Ultimately, this fight is not about barrels of oil, it’s about the deeper moral decisions we make as a nation to address our energy needs. Drilling for oil in the Arctic National Wildlife Refuge won’t do a thing for gas prices this winter. It won’t do a thing for gas prices in 10 years or even 15 years. In fact, it won’t do a thing for energy prices ever, because even if this provision passes and becomes law, the total amount of “technically recoverable oil,” according to the administration’s own estimates, would reduce gas prices by only a penny—if even, not before 10 to 15 years from now.

This reconciliation bill does not reflect the right budget priorities. This bill tightens the squeeze already being felt by so many hardworking Americans trying to make ends meet as oil and gas prices soar and winter approaches. Adding insult to injury, these irresponsible cuts will not even help the country with the bottom line, because they are being combined with tens of billions of dollars, the value of the cuts themselves. The average benefit of these tax
breaks for those with incomes more than $1 million would be $35,491. But for those with incomes under $50,000, the average benefit comes to $6. America can do better.

Mr. LEVIN. Mr. President, earlier this year I voted against the budget resolution that passed the Congress because it reflected the wrong priorities. That budget resolution short changed vital public needs such as education and health care for all Americans in order to further tax cuts mainly benefiting the wealthiest Americans. The bill before us today is the first part of a three-part budget reconciliation process set up to help carry out that misguided budget. Budget reconciliation is a special process that gives privileged short cuts under the rules of the Senate. For many of the same reasons that I opposed the original budget resolution, I must also oppose this reconciliation bill. Instead of improving our fiscal situation, the reconciliation package worsens the problem.

This first of the three reconciliation bills is focused on spending cuts. It cuts funding for Medicaid, Medicare, low-income housing grants and other important programs. These cuts, along with several others that could have been wasted as a result of a shortsighted decision to drill in the Arctic National Wildlife Refuge, ANWR, in Alaska, are projected to reduce the deficit by $39.1 billion over the next 5 years.

However, at the same time, both Houses of Congress are working on separate versions of the second part of the reconciliation package—the tax bill. That bill would extend $70 billion worth of tax cuts benefiting largely the wealthiest Americans. It simply does not make sense to say we need to cut $39.1 billion out of vital programs to reduce the deficit while at the same time increasing the deficit with $70 billion in tax cuts. These bills continue an irresponsibly unquestionable tax policy that recklessly adds to our deficit.

The third part of this three-part reconciliation process will be a bill to allow the national debt to increase by another $781 billion. The need for that third bill shows how dreadful our budget situation has become. The U.S. national debt has already climbed above $8 trillion. In the fiscal year that just ended, we spent over $350 billion just to pay the interest on that debt. That is 14 percent of federal government spending last year. That is money that doesn’t go toward important infrastructure improvements, homeland security or other priorities like health care, education or environmental protection. We simply cannot afford to continue building up this massive debt.

Not only is it financially irresponsible to add to this already heavy debt, but it adds risk to our national security. Forty-four percent of our national debt is held by foreign investors. If these investors ever decide, for economic or political reasons, to stop financing our debt, our markets could be severely impacted. This can provide other countries with greater leverage during trade or other negotiations with us.

In addition to the fiscal irresponsibility in this reconciliation package, it is unconscionable that this body cut Medicare and Medicaid services for the poor and the disabled and the elderly and disadvantaged children and then to turn around next week and provide the mostly the wealthiest Americans with $70 billion of tax cuts. I will warn this bill contains a number of some good provisions. This bill halts an unwise looming 4.4 percent decrease for physicians treating Medicare patients and instead provides a 1 percent increase. This bill was amended and now contains a provision that will prevent a reduction in Federal money for Michigan Medicaid. This bill also has several provisions to help victims of Hurricane Katrina.

However, a large portion of the spending cuts in this reconciliation bill impinge not only on Medicare and Medicaid beneficiaries as well as providers. This is not the first time Congress has attempted to balance the budget on the backs of people who rely on Medicare and Medicaid. In 1997, Congress cut the reimbursements and took away payments to Medicare beneficiaries and the cuts were overreaching. It is my fear the same result will come from our actions today. This bill before us cuts reimbursement for several types of Medicare care providers including nursing facilities, hospitals and managed care. This bill also places caps on payments for Medicare and Medicaid services. People who rely on Medicare and Medicaid are going to be hurt by this bill. I hope that my colleagues take a long look at how much the bad outweighs the good in this bill.

In addition, I also regret that the majority decided to include in this budget reconciliation the opening of the Arctic National Wildlife Refuge, ANWR, to oil and gas development. I have consistently opposed opening ANWR to oil and gas development because I believe it is the wrong approach to addressing our Nation’s need for long-term energy security. The actual reserves in the area that will be available for leasing under this provision are too small to have a significant impact on our Nation’s energy independence and will not produce any oil for more than a decade. I do not believe that this limited potential for oil and gas development in ANWR warrants endangering what is one of the last remaining pristine wilderness areas in the United States.

But, also, the process for consideration of ANWR on the budget reconciliation bill has been flawed from the start. Including this important issue in the budget reconciliation bill has short-circuited the normal legislative process and has eliminated the opportunity for Congress to give the issue the consideration it deserves. In fact, this issue was not even considered when the Senate debated the Energy Policy Act of 2005 for 2 weeks this past summer. Opening ANWR to oil and gas development was not considered on the Energy bill because the votes were not there to pass it except by including it in the budget reconciliation bills that we are considering now. I have a positive note. I am pleased that I was able to include language in this bill that recognizes the needs of border States when awarding emergency and interoperable communications grants.

Furthermore, as imprudent as this bill is, I hope it won’t be made worse in conference after merging with the even more misguided House bill. Major bipartisan efforts will be needed to make true progress on the long-term fiscal problems we face. I will continue to fight for fair and fiscally responsible policies that help generate jobs and economic security from which all Americans can benefit.

Mr. President, this past March, I stood here to express my reluctant support for the fiscal year 2006 concurrent budget resolution. My support was reluctant for one reason only. I believed the budget did not go far enough in slowing the growth of Federal spending.

My colleagues will remember that passing that budget resolution was not an easy thing. Both the original Senate version and the conference report passed by very narrow margins. Not one Democrat voted in favor of the budget resolution, so it was left up to those of us on this side of the aisle to pass that resolution.
The major reason why the budget was so difficult to pass was the inherent problem in getting a majority to agree on legislation that cuts the growth in spending for entitlement programs. Entitlement programs are those that grow automatically without any action by Congress. While they are many of the most important programs in the Government, they are also the most expensive. Some Senators wanted more cuts in spending growth than did others, and it was hard to get a consensus among the three committees on which I serve.

Nevertheless, we did manage to pass the budget resolution, which was the first step in the process we are trying to complete here tonight with the budget reconciliation bill. This bill “reconciles” the spending in the budget with the programmatic changes necessary to achieve the budget numbers. And while the projected spending growth over the next few years is still alarming, the cuts in that growth included in this bill are very much a good first step in the right direction.

What Senator GREGG, the chairman of the Budget Committee, emphasized in his opening remarks is very significant. This is the first time since 1997 that Congress has attempted to restrain the growth of entitlement spending programs. I think we can conclude that although the magnitude of the change is not as large as many of us would like to see, the directional change is very important.

According to the Congressional Budget Office, this reconciliation bill would reduce federal outlays by more than $30 billion over the next 5 years and by almost $109 billion over the next 10 years. I realize that many of my colleagues on the other side of the aisle are scoffing at the idea these numbers are not large enough in terms of reducing the deficit. Why, then, are we not seeing any spending reduction proposals from them? It is because it is much easier to throw rocks at our attempts to rein in spending growth than it is to make the hard choices themselves.

Rather than having an honest debate about how best to deal with out-of-control budgets, most of what we are hearing from our friends on the other side is the same old tiresome accusation that we are reducing spending for lower-income Americans, so that we can cut taxes, once again, for those Americans who are wealthy and do not need a tax reduction. This, of course, is a gross distortion of the truth.

As Chairman GRASSLEY has pointed out, the spending growth reductions in this bill are not directed at low-income individuals. We worked very hard to make sure that was the case, especially in the Finance Committee which has jurisdiction over such important safety-net programs.

Indeed, the bill includes a significant amount of new spending. The amount of this new spending, some of which I recognize is necessary, is one of the problems I have with the bill. In addition, a great deal of the deficit reduction in this bill is achieved by raising fees or selling a portion of the broadcast spectrum. That being said, I will detail some of my specific objections about the bicameral approach.

As to criticisms about so-called taxes, there are not any in this bill. The tax reconciliation bill comes later, after this bill has passed. And the tax provisions that will be in that bill are generally in these regions. Preventing tax increases on the middle class, not tax cuts for the wealthy. Moreover, most of those provisions enjoy broad support on both sides of the aisle.

Do I believe this reconciliation bill is perfect? Far from it.

Do I think we could have and should have done more in trimming the spending growth of entitlement programs? Absolutely.

As I mentioned before, the significance of this bill is not in the amount of deficit reduction it delivers, but in the change in direction that it represents. I hope we can pass it and then use it as a building block for more deficit reduction next year.

We have had too many short years to make much larger changes in our entitlement spending programs. All of us know that they are on an upward trajectory that is simply not sustainable. Passing this reconciliation bill now begins the process of turning the tide for more responsible spending. With a smart mix of pro-growth policies that will help ensure continued economic growth and future spending restraint, we can begin to lower the deficit and put our budget in a condition to withstand the storms ahead.

Now, I would like to take the time to get into some of the details of the changes included in the bill by the three committees on which I serve.

As a member of the Senate Finance Committee, I worked hard with Chairman GRASSLEY to ensure that our Committee met the goal of finding $10 billion in savings. Unfortunately, the Finance package also spends a significant amount of money when I believe that our national focus needs to be on saving money. Some of it is necessary. Some not.

And, I am very troubled by how we are paying for this spending. Close to $5 billion containing funding the Medicare Advantage Regional Plan Stabilization Fund, something I strongly oppose. The stabilization fund is a critical component to facilitating regional preferred provider organizations, PPOs, in the Medicare Advantage program. For the health plans that are interested in potentially providing regional PPO coverage, it is essential for them to know that they will get some help with starting up if they need it in areas that had been underserved before, and that the Medicare program will keep their payments predictable.

If Congress and the Centers for Medicare and Medicaid Services, CMS, start the voucher program with the same one-size-fits-all program rules even before the first benefit is administered, we send a very negative signal to plans, and that may mean worse coverage options and higher costs for Medicare beneficiaries in the future.

The MMA has made Medicare Advantage plans more widely available with greater beneficiary savings than ever before, including in rural areas and many other areas that previously were not served by Medicare Advantage plans.

The Stabilization fund will help make it possible to provide secure access to these new, lower-cost coverage options in underserved areas. While the new Medicare beneficiaries than ever will have regional Medicare Advantage plans in 2006, further progress is needed for people with Medicare in the states, specifically: my home state of Utah; Alaska; Colorado; Connecticut; Idaho; Maine; Massachusetts; New Hampshire; New Mexico; Oregon; Rhode Island; Vermont; and Washington.

When developing the MMA, the Congress recognized that some states may not be served by Medicare Advantage plans in the initial years of the program and strategically created the benefit stabilization fund, which sunsets in 2013, to encourage plans to operate in all areas of the nation. Utah is one of those states and that is why I strongly supported the creation of the stabilization fund during the MMA negotiations.

The stabilization fund helps to make sure that, in future years, Medicare beneficiaries will choose to serve the people with Medicare who do not have Medicare Advantage options in 2006. And, conversely, repealing the fund, or cutting its revenues, means reduced benefits and higher costs for these seniors in future years.

Medicare Advantage plans are already serving Medicare beneficiaries with some very generous benefit offerings for 2006, with the expectation that they would be started next year. For the health plans that are interested in potentially providing this regional PPO coverage, it is essential for them to know that they will get some help with starting up if they need it in areas that had been underserved before, and that the Medicare program will keep their payments predictable.

If Congress and the Centers for Medicare and Medicaid Services, CMS, start the voucher program with the same one-size-fits-all program rules even before the first benefit is administered, we send a very negative signal to plans, and that may mean worse coverage options and higher costs for Medicare beneficiaries in the future.

Cuts to or reductions in the stabilization fund, and therefore, payments to regional plans amount to adding costs for beneficiaries in the form of higher premiums, reduced benefits, or both. Without this fund, it will be difficult to convince plans to offer coverage to beneficiaries who currently do not have access to regional PPOs.
Maintaining the current stabilization fund will encourage more regional PPOs to enter the Medicare Advantage program and make sure that significantly more people, including my fellow Utahns, have access to Medicare Advantage plans next year. I do not understand why we would be eliminating this fund, especially before the Medicare drug plan program is even operational. It just does not make good policy sense and that is why I oppose the elimination.

This is especially vexing given that there are a number of other sources for revenue. I will be fighting for more extensive restrictions on asset transfers and the inclusion of provisions which would prohibit intergovernmental transfers. Including these provisions would have severely curtailed activities where individuals and some State governments have intentionally defrauded the Medicaid program.

I have heard the arguments about why we did not have included them in the proposal, but I do not buy those arguments. More aggressive legislating in these areas would preclude some of the other reductions necessitated in this bill, such as those for the stabilization fund.

The provisions on payment for prescription drugs under the Medicaid program are another deep concern of mine. These have only been made worse by adoption of amendments in the Chamber. Let me say that while I agree that changes are warranted, I am very worried about the approach included in the bill. I am not sure that the new definitions created for Average Manufacturer’s Price, AMP, Weighted Average Manufacturer’s Price, WAMP, and the new formula which were created for the Federal Upper Payment Limit, FUPL, will address the criticisms of the current policy. In fact, these new definitions could make the situation worse. I am afraid that the genesis of these changes was not a desire for good policy, but rather an interest in seeking funding from a “deep pocket.” That trend was only exacerbated during Senate consideration of the Finance title, as we added two rebate-related amendments with spending implications that totaled several billions of dollars more.

It is clear to me that, as consideration of the conference report begins, we must continue discussions with the various stakeholders who have been involved in making this policy work, in particular, the pharmacists and the pharmaceutical companies.

The budget resolution contained a reconciliation instruction directing the Senate Health, Education, Labor, and Pensions, HELP Committee, to work with me to reduce spending by $13.7 billion in 5 years. We on the HELP Committee worked very hard to achieve this goal, which required difficult spending vs. savings decisions.

Within several months, as we wrote reassuming language for the Workforce Investment Act, WIA, Head Start, the Perkins Act, career and technical education, and the Higher Education Act, HEA, we kept in mind the need to meet the reduction in spending goals. Each of these reauthorization bills was unanimously approved in committee.

While I recognize the tough choices we need to make, I opposed overall with the reconciliation bill as it relates to education provisions, accounting for a total savings of $9.8 billion. Spending increases in the bill include increases in Pell grants, along with ProGAP, and direct grant assistance to Pell eligible students.

Another new program, SMART grants, would provide assistance to students studying math, science, technology, engineering, or a foreign language. Subsidized borrowing levels were increased, along with a permanent extension of the Taxpayer-Teacher Protection Act. Additional loan deferments were made for members of the Armed Services or the reserves.

These programs would give Utah students the opportunity to gain greater access to college educations and will boost our local and national economy as we seek to meet the demands of the 21st century workforce.

Significant savings were found in student loans, mostly from lending institutions, including a requirement for guaranty agencies to deposit one percent of their collections in the Federal Reserve fund, a reduction in lender insurance surcharges, a provision that guarantees 100 percent of loans for certain lenders. An additional fee is charged for lenders originating consolidation loans, and permanent restrictions are made on transfer or refunding of certain tax-exempt bonds that receive a 9.5 percent rate of return.

I have concerns about last-minute changes to include major spending increases, even though they appear to have been reconciled by savings. However, every single amendment that I am paying particular attention to fixing the interest rate for undergraduate and graduate non-consolidation borrowing at 6.8 percent, preferring a choice of a variable rate similar to the House provision. I am also concerned about the way certain bills are structured that are currently before the Senate that deal with the inclusion of Katrina public and private school payments.

The HELP Committee also included provisions increasing significantly the amounts of premium employers that sponsor defined benefit pension plans must pay to the Pension Benefit Guaranty Corporation, PBGC. These increases were larger than they needed to be, and removed placeholders until we can pass the pension reform bill that was produced by the Finance and HELP Committees. I hope we will soon be able to consider and pass legislation, partly for the reason of reducing these premium increases to more reasonable amounts.

The Judiciary Committee greatly exceeded its reconciliation targets, and I applaud that accomplishment even though I do not support the means by which it was achieved. Federal spending is out of control and, as my colleagues know, this has been a concern of mine for a long time. I am gratified that so many others now share my concerns and, more importantly, that we are finally doing something about irresponsible spending despite the efforts of a few members on the other side of the aisle to scuttle this reconciliation bill.

I am pleased that the Judiciary Committee did not report a proposed tax on the explosives industry. It was just plain wrong, and it would have hurt a lot of people in Utah. Naturally, I fought tooth and nail to make sure it was off the table and I, along with others, succeeded in stopping it.

This brings us to the current Judiciary title. I do not think we should have used a reconciliation measure to alter immigration policy, particularly in light of the current debate on comprehensive immigration reform. For this, and other reasons, I offered an amendment that would increase a 5 percent increase in all immigration-related fees instead of simply allowing more people into the country as a way of reducing our Nation’s deficit. Unfortunately, my amendment was defeated in committee.

That being said, I recognize that it is not easy to come up with savings. It means tough choices. But it is our job to make the tough calls and the Judiciary Committee did an excellent job.

I strongly support moving this package through the Senate. However, I want my colleagues to understand my concerns and that I intend to continue working with them on improving the package. I know this was an extremely difficult task, and I appreciate all the hard work of many of my colleagues, and particularly the chairman of the committee on which I serve.

Mr. President, the Senate will vote shortly on final passage of S. 1932. We have had a good debate on this bill. I commend the chairman of the Budget Committee for his effective and fair management of the consideration of this bill this week.

The Senate Finance Committee title was carefully crafted to address a wide range of member priorities. The Senate Finance Committee title is a compromise—one that was meticulously negotiated over many months. It represents clear-headed, commonsense reforms.

But here is something that should make a lot of people wonder what is going on around here. I noted with interest a recent Washington Post article which notes:

The Senate package is gaining kudos from some unlikely sources. Liberal budget and poverty groups and budget-cutting legislation largely avoids cuts that will hit low-income beneficiaries.

And here is another one. The Associated Press reports:

As a result, the Senate’s Medicare and Medicaid cuts largely won’t touch beneficiaries of the programs, instead tapping
So that means that a “no” vote is a vote against the Family Opportunity Act’s expansion of Medicaid eligibility for severely disabled children. Opposition to this provision means forcing many working families to refuse better jobs or promotions—keeping them poor in order to qualify for Medicaid or, worse, relinquish custody of their disabled child to the State so that their child can continue to get the services they need.

A “no” vote is also a vote against the Family Opportunity Act’s protection for families whose newborn is diagnosed prenatally with a disability from being liable for thousands of dollars of medical costs.

A “no” vote is a vote against “Money Follows the Person,” which provides grants to States to increase the use of home and community based services, rather than institutional services. “Money Follows the Person” also eliminates barriers so that individuals can receive support for long-term services in the settings of their choice.

Opposition to the Senate bill’s balanced approach to Medicaid reform and program improvements is opposition to achieving savings, preserving services, and protecting beneficiaries.

A “no” vote is a vote against cutting wasteful spending in Medicaid and other changes that provide additional resources to State Medicaid programs.

A “no” vote is a vote against having the State and Federal Government pay less for drugs.

A “no” vote is a vote against tightening up asset transfers, thereby paying less for nursing home care through Medicaid.

A “no” vote is a vote against increasing State and Federal payments from drug companies.

A “no” vote is a vote against a $2 billion windfall to the States.

Opposition to the Senate bill’s balanced approach to Medicaid reform and program improvements is opposition to the bipartisan Family Opportunity Act.
Provision | Violation/comments
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Sec. 7101(f) | 11(b)(1)(A)—Does not produce a change in outlays as additional receipts could not be spent and would be deposited in Treasury anyway.
Sec. 7101(h) | 11(b)(1)(A)—Pro-GAP Sunset language/does not produce a change in outlays.
Sec. 7101(i) | 11(b)(1)(A)—Pro-GAP Sense of the Senate/does not produce a change in outlays.
Sec. 7101(j) | 11(b)(1)(A)—SMART Grant findings/purpose/have not produce a change in outlays.
| 11(b)(1)(A)—SMART Grant matching assistance/does not produce a change in outlays.
Sec. 7102 | 11(b)(1)(A)—Single Waiver Multilateral/does not produce a change in outlays.
Sec. 7104 | 11(b)(1)(A)—Evaluation of Simplified Needs Test/does not produce a change in outlays.
Sec. 7108(b), (d), (i), (j), and Sec. 7155 | 11(b)(1)(A)—Authorizes waivers of provisions of discretionary and programs, and addresses certain reporting requirements/does not produce a change in outlays.
Sec. 7221(g)(3) | 11(b)(1)(A)—Pensions: (4)(i) special role regarding future legislation/does not produce a change in outlays.
Sec. 7221(h) | 11(b)(1)(A)—HEA general provisions and definitions/does not produce a change in outlays.
Sec. 7238 | 11(b)(1)(A)—Protection of Student Speech and Assc Rights/does not produce a change in outlays.
Sec. 7307 | 11(b)(1)(A)—Nut’s Advisory Comm. on Int Quality/does not produce a change in outlays.
Sec. 7309 | 11(b)(1)(A)—Drug and Alcohol Abuse Prevention/does not produce a change in outlays.
Sec. 7311 | 11(b)(1)(A)—Prior Rights and Obligations—updates discretionary authorizations/does not produce a change in outlays.
Sec. 7312 | 11(b)(1)(A)—Cost of Higher Ed Consumer Ins/does not produce a change in outlays.
Sec. 7314 | 11(b)(1)(A)—Performance Based Gr for Delivery of Fed Student Assist/does not produce a change in outlays.
Sec. 7320 | 11(b)(1)(A)—Procurement Flexibility/does not produce a change in outlays.
Sec. 7331 | 11(b)(1)(A)—Teacher Quality Enhancement/does not produce a change in outlays.
Sec. 7344—7350 Sec | 11(b)(1)(A)—Institutional Aid/does not produce a change in outlays.
Sec. 7351 | 11(b)(1)(A)—Technical Corrections/does not produce a change in outlays.
Sec. 7352 (AU) | 11(b)(1)(A)— Pell—max authorized grant. Nothing in Pro-GAP is driven off of “max” Pell Grant/does not produce a change in outlays.
Sec. 7362 | 11(b)(1)(A)—TRIO Programs/does not produce a change in outlays.
Sec. 7403 | 11(b)(1)(A)—GEAR Grants/does not produce a change in outlays.
Sec. 7404 | 11(b)(1)(A)—Repeal of Academic Achievement Scholarship/does not produce a change in outlays.
Sec. 7405 | 11(b)(1)(A)—SASS/does not produce a change in outlays.
Sec. 7416 | 11(b)(1)(A)—LEAP/does not produce a change in outlays.
Sec. 7437 | 11(b)(1)(A)—Migrant ED/does not produce a change in outlays.
Sec. 7438 | 11(b)(1)(A)—Robert C. Byrd Honors/does not produce a change in outlays.
Sec. 7439 | 11(b)(1)(A)—Child Care Access Means Parents in Schools/does not produce a change in outlays.
Sec. 7440 | 11(b)(1)(A)—Repeal of Learning Advantage Anywhere Partnerships/does not produce a change in outlays.
Sec. 7444 | 11(b)(1)(A)—Reports to Credit Bureaus & Institutions/does not produce a change in outlays.
Sec. 7445 | 11(b)(1)(A)—Common Forums and Forums/does not produce a change in outlays.
Sec. 7488 | 11(b)(1)(A)—Information to Borrower and Privacy/does not produce a change in outlays.
Sec. 7489 | 11(b)(1)(A)—Consumer Education Information/does not produce a change in outlays.
Sec. 7491 | 11(b)(1)(A)—Federal Work Study/does not produce a change in outlays.
Sec. 7493 | 11(b)(1)(A)—Grants for Work Study Programs/does not produce a change in outlays.
Sec. 7495 | 11(b)(1)(A)—Job Location and Development Programs/does not produce a change in outlays.
Sec. 7499 | 11(b)(1)(A)—Work Colleges—discretionary program/does not produce a change in outlays.
Sec. 7425 | 11(b)(1)(A)—Terms of Loans—technical changes/does not produce a change in outlays.
Sec. 7426 | 11(b)(1)(A)—Discretion of Financial Aid Administration/does not produce a change in outlays.
Sec. 7430 | 11(b)(1)(A)—Compliance Calendar/does not produce a change in outlays.
Sec. 7431 | 11(b)(1)(A)—Institutional and Financial Info/Know to Students/does not produce a change in outlays.
Sec. 7438 | 11(b)(1)(A)—Nut’s Student Loan Data System/does not produce a change in outlays.
Sec. 7440 | 11(b)(1)(A)—Early Awareness of Financial Aid Eligibility/does not produce a change in outlays.
Sec. 7442 | 11(b)(1)(A)—Reg. Relief and Improvement/does not produce a change in outlays.
Sec. 7443 | 11(b)(1)(A)—Transfer of Aid/does not produce a change in outlays.
Sec. 7445 | 11(b)(1)(A)—Purpose of Payment/does not produce a change in outlays.
Sec. 7466 | 11(b)(1)(A)—Advisory Committee on Social Security/does not produce a change in outlays.
Sec. 7471 | 11(b)(1)(A)—Regional meetings/does not produce a change in outlays.
Sec. 7480 | 11(b)(1)(A)—Year 2000/does not produce a change in outlays.
Sec. 7481 | 11(b)(1)(A)—Recognition of Accrediting agency or Accred/does not produce a change in outlays.
Sec. 7482 | 11(b)(1)(A)—Administrative Capacity/does not produce a change in outlays.
Sec. 7483 | 11(b)(1)(A)—Program Review and Data/does not produce a change in outlays.
Sec. 7501 | 11(b)(1)(A)—Developing Institutions Definitions/does not produce a change in outlays.
Sec. 7502 | 11(b)(1)(A)—Auth Activities/does not produce a change in outlays.
Sec. 7503 | 11(b)(1)(A)—Duration of Grants/does not produce a change in outlays.
Sec. 7504 | 11(b)(1)(A)—Hispanic American Post-baccalaureate/does not produce a change in outlays.
Sec. 7505 | 11(b)(1)(A)—Applications/does not produce a change in outlays.
Sec. 7506 | 11(b)(1)(A)—Cooperative Arrangements/does not produce a change in outlays.
Sec. 7507 | 11(b)(1)(A)—Authorization of Appropriations/does not produce a change in outlays.
Sec. 7508 | 11(b)(1)(A)—International Education Programs/does not produce a change in outlays.
Sec. 7509 | 11(b)(1)(A)—Graduate and Undergraduate Language and Acc Centers and Programs/does not produce a change in outlays.
Sec. 7520 | 11(b)(1)(A)—Undergraduate International Studies and Foreign Languages/does not produce a change in outlays.
Sec. 7522 | 11(b)(1)(A)—Research Studies/does not produce a change in outlays.
Sec. 7523 | 11(b)(1)(A)—Tech Innovation and Cooperation for Foreign Info Access/does not produce a change in outlays.
Sec. 7524 | 11(b)(1)(A)—Selection of Certain Grant Recipients/does not produce a change in outlays.
Sec. 7525 | 11(b)(1)(A)—American Overseas Research Centers/does not produce a change in outlays.
Sec. 7530 | 11(b)(1)(A)—Auth of Appropriations/does not produce a change in outlays.
Mr. GREGG. Mr. President, at this time, we have come to the end of the amendment process. I now ask, before we go to final passage, we have 5 minutes equally divided between myself and Senator CONRAD, and then we will go to final passage.

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

Mr. GREGG. Mr. President, first of all, I thank the staffs, the very professional staffs on both sides. I especially thank the chairman of the Budget Committee for his professionalism and his diligence in working on this bill. He has been such a pleasure to work with.

His word is gold.

I appreciate very much his staff, as well—Scott Gudes, Gail Millar, Jim Hearn, Cheri Reidy, and the rest of the majority staff.

I want to also thank my staff—Mary Naylor, John Righter, my counsel Lisa Konwinski, Jim Esquea, Sarah Kuehl, Mike Jones, Cliff Isenberg, Jim Miller, Kobye Noel, Shelley Amdry, Steve Bally, Rock Cheung, Dana Halvorson, Tyler Haskell, Jim Klumpner, Jamie Morin, Stu Nagurka, Anne Page, Steve Posner, and David Vandivier.

Mr. President, you can't judge a book by its cover. The language being used here is that this is a package of deficit reduction. But this is the first chapter. The first chapter reduces spending by $35 billion. But the next chapter will reduce taxes by $70 billion. The third chapter will increase the debt by $781 billion. You have to read the whole book to know the conclusion. The conclusion of their book is more deficits and more debt.

No one should believe this vote is about deficit reduction while insisting on another $70 billion of tax cuts as part of this package. In the second chapter of the book, the deficit actually goes up. The majority's proposal to increase the debt limit by $781 billion, which is the third chapter of their book. With passage of this, the debt of this country will have increased by $3 trillion during just this President's administration.

The fact that we were able to complete the voting process today was a reflection of the willingness of people in this Chamber, especially the staff who acted in an extraordinarily professional way.

Also, of course, I want to thank Senator CONRAD and his staff, Mary Naylor and her team.

Senator CONRAD has had an incredibly positive, constructive, and professional individual to work with on this bill. This bill would not have been completed—even though he may not agree with the bill, which he doesn't, obviously, and he has argued his position—he has been more than fair in allowing us to proceed through the bill. And it is a reflection of his extraordinary professionalism.

I thank everyone on the staff, except his chart maker.

(Laughter)

I also especially want to thank my staff—led by the inimitable Scott Gudes—Gail Miller, Jim Hearn, Cheri Reidy, and the rest of the staff—Dave Fisher and Denniz McGuire. We have had two staff members who have had children just recently, Bill Lucia and Matt Howe. Matt's child was born just about 4 or 5 days ago, we said it was going to be done by 6 o'clock. We were going to complete this bill. Indeed, they have accomplished just that.

We will be in session tomorrow, but there will be no rolloff votes. We will go to the DOD authorization bill. Again, there will be no rolloff votes tomorrow. We will be on the DOD authorization bill on Friday and Monday.

We have a rollcall vote Monday night. We will not be voting before 5:30 on Monday.

With that, congratulations. I yield the floor.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.
The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 363 Leg.]

YEAS—52

Alexander
Allen
Bennett
Bond
Brownback
Bunning
Burns
Burr
Chambliss
Coburn
Cochran
Cornyn
Craig
Crapo
DeMint
Dei
Domenici

NAYES—47

Akaka
Baucus
Bayh
Biden
Bingaman
Byrd
Cantwell
Carper
Chafee
Clinton
Coleman
Collins
Conrad
Dayton
DeWine
Dodd
Dorgan
Durbin
Feingold
Feinstein
Ferrer
Gingrich
Harkin
Inouye
Johnson
Kempthorne
Kohl
Laufenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson
(Fl)
Obama
Pryor
Reed
(R)
Reid
(NV)
Rockefeller
Sarbanes
Schumer
Snowe
Stabenow
Wyden

NOT VOTING—1

Corzine

The bill (S. 1932), as amended, was passed.

Mr. GREGG. I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each; further, that Senator BUNNING be recognized now for 10 minutes, to be followed by Senator Wyden for 10 minutes.

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

The Senator from Kentucky.

INTEGRITY IN PROFESSIONAL SPORTS ACT

Mr. BUNNING. Mr. President, today I and some of my colleagues, in a bipartisan effort, introduced the Integrity in Professional Sports Act. I especially thank my colleague from Arizona, Senator JOHN McCAIN, for working with me on this important legislation. I thank the chairman of the Commerce Committee, Senator STEVENS, and Senators GRASSLEY and ROCKEFELLER, for cosponsoring our bill.

This is certainly not a bill any of us wanted to introduce. We wish Congress did not have to get involved in the issue of drug abuse in professional sports. Unfortunately, this might be the only way to get professional sports to finally clean up its act.

As a former major league baseball player and member of its Hall of Fame, protecting the integrity of our national pastime is a matter near and dear to my heart. I know it is near and dear to the hearts of so many across America. We have heard a lot of talk over the last year about the leagues working to implement new, tougher drug-testing standards. So far, that is all it has been, a lot of talk. Major League Baseball and its baseball union told us over a month ago they hoped to have a new agreement in place by the end of the World Series. The World Series is over and there is still no agreement. The time for talking is over. The leagues have had their chance and have failed to lead. Now we are going to do it for them.

We are, in a way, obligated to act since they cannot. We must not only ensure that our Federal drug laws are not being circumvented, but we also need to restore some integrity to the games that tens of millions of Americans enjoy so much. We must act for the sake of our children who see these players as heroes and want to emulate them. Like it or not, professional athletes are role models. They need to set a better example to kids who see them smashing home runs or sacking the quarterback as they did last year in a major league game.

Unfortunately, too many professional athletes are injecting themselves and popping pills with false hopes and dangerous health effects. Now these acts are being emulated by kids even in high school because of the pressure they feel to perform at such a young age. We have a duty to help bring this to an end.

As Members of Congress, we can play an important role in educating others of the public at large of the health effects from steroids. Illegal performance-enhancing drugs are a serious problem in professional sports and they need to stop now. I hope my colleagues will continue to join us in this bipartisan cause. I look forward to working with both sides of the aisle on moving this bill forward swiftly.

I yield to my colleague from Arizona, Senator McCAIN.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I am very proud to join Senator BUNNING, who many know is a Major League Baseball Hall of Famer. Not many know he was a founding member of Major League Baseball’s Players Union. He brings to this issue impeccable credentials and an enormous amount of passion. I am pleased to be supportive of his leadership in this effort.

It is my hope this legislation would not be necessary. Senator BUNNING and I both come to this legislation with great reluctance. But as Senator BUNNING pointed out, the Major League Baseball players said they would, by the World Series, come up with an agreement. That has not happened.

The legislation is an effort to set minimum standards that have proven effective in Olympic sports and would also introduce an independence—this is crucial—into the drug testing programs of professional leagues.

Without an independent entity, such as the U.S. Anti-doping Agency that establishes and manages testing and adjudication programs, the fox will continue to guard the henhouse. That is exactly the problem that the U.S. Olympic movement faced several years ago, and they brought integrity back to American Olympic sports by putting the responsibility for testing in the hands of an independent entity.

There are some who argue that Senator BUNNING and I have no business legislating an issue which is basically a labor-management issue. We agree. We do not want to have to legislate. We do not want to have to force both entities to do something they otherwise should have done, but we also have no choice. As the Senator from Kentucky has so eloquently pointed out, our obligation is not to the people who are making millions of dollars this year. Our obligation is not even to those who are members of professional sports. Our obligations are to the families of the young people who believe the only way they can make it in the major leagues is to inject these substances into their bodies.

Anybody who followed the hearing on the House side, where there was testimony from parents of young men who had committed suicide as a result of the use of these substances, knows this issue has now transcended a labor-management issue. Senator BUNNING and I come to this floor more in sorrow than in anger that we have had to take this extraordinary step. But we will take it; we will take it for our young Americans who believe the only way they can make it in the major leagues is by using these substances and to give hope to others who refuse to do it and want to make it on their own merits.

Mr. President, I again thank the Senator from Kentucky, who has been a role model to so many millions of young Americans for so many years, for his involvement in this effort.

Mr. President, I yield the remainder of my time.

Mr. BUNNING. I thank the Senator. The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, might I speak for a moment?

Mr. President, I wish to say, before Senator McCAIN and Senator BUNNING leave the floor, I think my colleagues know I must recuse myself from all on baseball base my wife represents Major League Baseball. But as a personal matter, I wish to thank Senator McCAIN and Senator BUNNING for their moral leadership. It is a