

differences that have been reconciled in favor of the city with respect to the amount of funds that will be available and to other matters.

So I am hopeful that we will be able to take this bill up. It is ready to go. We are ready to act on it now and we could have this down to the President for his signature this afternoon if and when it is brought up there is no objection, and I hope that would be the case.

Mr. President, I just hope that everybody is aware of the serious problem we are dealing with and that any attempt to forestall this would imperil people and I hope that will not occur.

Mr. President, I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

MILITARY CONSTRUCTION APPROPRIATIONS

Mr. BURNS. Mr. President, last night the House of Representatives passed and sent to the Senate the conference report on military construction, and that bill, too, is at the desk to be considered today. We have worked very, very hard with both sides of the aisle to work out our differences—and sometimes on the same side of the aisle.

I applaud my good friend from Vermont, with whom I used to serve on D.C. Appropriations, on the work they have done on the D.C. appropriations bill. And the work that Senator BOND has done in his committee as far as VA-HUD.

We have worked very hard, too, on the thrust of military construction in this particular year, not only dealing with less dollars but also dealing with some very important items which have always been put on the shelf. One of them is the environment because of the Base Closure and Realignment Commission, and the other one is family housing and support services for families that serve this country on our posts around the world.

This bill provides the necessary funding for the planning, the design, the construction, the alteration, and the improvement of military facilities around the world, and included in that, of course, is the appropriation that keeps us strong, the NATO Security Investment Program. It also provides the funding to implement base closures and realignment as called for by law.

Again, let me emphasize that in this bill there is included child development centers. We worry about children. We hear speeches made about children. Repairs are needed also for the damage that was done by Hurricane Bertha. In this bill is funding for family support centers on our bases and environmental compliance projects. I think one of the most important parts of the funding in this bill is environmental cleanup when these bases are closed and, of course, taking new actions where active bases are still in operation; hospitals, public safety such as fire stations.

There is \$1.2 billion for the implementation of BRAC, \$4 billion for family housing. Out of a \$9 billion appropriation, \$4 billion will be spent on families and family housing to improve the life of our military people. Just to give you an idea on that: Yuma Marine Air Station in Yuma, AR; Camp Pendleton Marine Corps Base, 202 units, spending \$29 million; Lemmoore Naval Air Station in California; Florida, Mayport Naval Station; in Hawaii, almost \$60 million being spent for family support and housing; in Maryland, just outside of Washington here, the Naval Testing Center at Patuxent River; Camp Lejeune, community centers; family centers in Texas, Corpus Christi Naval Complex; Kingsville Naval Air Station; in Virginia, Chesapeake, Wallops Island; State of Washington, at Bangor Naval Submarine Base, and Everett Naval Air Station, Puget Sound.

The list goes on of those projects that are started or being planned and started, and all of them in support of families that serve this country. One has to remember that they, too, have to live, and we have started a new project, the Secretary of Defense working with the corporate sector in partnership for private housing off base, which is a new approach. By the way, there is funding in the bill for his program. There is certain types of community impact assistance that has to be provided for our military who face the loss of a sale of private residences due to installation realignments and due to some closures.

So, Mr. President, that is what is in limbo here whenever we start talking about gumming up the process. Here is a bill that we have worked very hard to overcome the objections on both sides of the aisle, to make it through not only committee, subcommittee and full committee and, yes, on the floor to pass a bill, send it to the House and then conference and bring it back and it is ready to pass this body because the House passed it last night and it is ready to be sent to the President for his signature to implement what we think is very important in support of our military families around the globe.

So, I ask, if we could work out this so-called flap and get the process back on the move again, lay aside some of our emotions and do the right thing and allow us to bring the conference report of the military construction to this floor, pass it, and let us send it to the President.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, I think we had some good discussion this morning and I believe we made some progress in talking to Senators on both sides of the aisle, working out problems.

I know several Senators are going to need an opportunity to talk to the minority leader. I know the minority whip will be doing that here in a few minutes. So, hopefully, after those conversations we can get an understanding of how we can move on these very important issues. So, at this time, rather than just keeping the Senate here, what I propose to do is to have the Senate stand in recess until 2:30 p.m., at which time I will again enter into a colloquy with the Senator from Texas and the Senator from New Jersey about how we will deal with the stalking issue and the Lautenberg amendment; and then I would move to get unanimous-consent agreement on Judge Montgomery; and then I would move the CFTC nominees, and then the military nominations, including the new Chief of Naval Operations, which is needed very badly to be on duty. Then I would move to take up the health care issue.

In the meantime, I understand there will be some efforts made to deal with the drug patent issue in a way that, hopefully, is acceptable. And then we would go to the small business tax relief and minimum wage issue, and the safe drinking water conference report; all three of those conference reports.

I would also go to the DOD authorization and I would—of course, we would talk to the minority leader about exactly how we deal with that.

I would also attempt to move the three noncontroversial, universally supported military construction appropriations, legislative appropriations and D.C. appropriations. If we could get those issues worked out and completed, we would have made tremendous achievement here today.

If at 2:30 we cannot get an agreement on these, or an agreement on a package of these items, it would be my intent to take the Senate out for the balance of the day and come back tomorrow morning. I see no sense in standing around here waiting or going in and out on recess. So we will have 2½ hours now in which we can consider the situation, decide if we want to pass health insurance reform that so many people labored so hard on, that every voting representative in the House but two voted for just yesterday, the small business tax relief, minimum wage—everybody wants to get this done—and the safe drinking water. Everybody wants these three bills done.

I understand the White House is very anxious for us to get that done. There is no reason why we should not do these three appropriations conference reports. So we will have some time here to work through that and have a chance to talk to the minority leader. I hope to hear from him in the next hour or two. And we will see if we can

get this all worked out. And if we can, it would be really great. If we cannot, we will just go out and come back in the morning. I have had that on my mind all week anyway. So we can do that.

Mr. FORD. Would the Senator yield?

Mr. LOTT. I would be glad to.

Mr. FORD. I have no objection to the recess. But we do have a couple Senators that were on their way to make some remarks on our side. If you could withhold that or set it at the end of the statements by Senator KENNEDY and Senator WYDEN and maybe Senator BAUCUS, because those three would like to make some remarks. That way we would not be wasting the time.

Mr. LOTT. As long as there are Senators who would like to speak, obviously, we want to allow that. If those three are going to speak, we would probably want to have maybe some response on our side. But when we reach the point where Senators are not here speaking, instead of just keeping everybody here waiting, I would propose we recess then until 2:30. But at 2:30, regardless, I will move to get this underway.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

Mr. LOTT. When Senators have had their say, I will come back and ask that we stand in recess until 2:30. But we will wait on that.

Mr. FORD. With that understanding, Mr. President, I do not think anybody has any problem with that at all. I do have some colleagues that would like to make some remarks. And listening to the majority leader, you may have somebody that would like to come over and make some remarks too after these three Senators have on our side.

Mr. LOTT. We may eat up the time.

Mr. FORD. With the \$435 a page, or whatever it is, it costs to print the RECORD.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

HEALTH INSURANCE CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I am very hopeful, and I know the American people are, that we will move ahead this afternoon on the conference report dealing with the Kassebaum-Kennedy bill. As we know, it was a year ago today that we passed that bill out of the Human Resources Committee. It languished for close to 9 months on the Senate calendar before it was considered. Then it was considered. And it has been several more months before we were able to get resolution of the principal items which were at issue,

the portability issue, the MSA issue and the other provisions in the legislation. And we saw a successful conclusion of those issues just some 2 days ago. All of us are very eager to get that measure down to the President of the United States.

However, I must say, a number of us were very surprised to find that our staffs, around 10:30 or 11 o'clock the night before last, after a number of us were assured that there were only technical corrections in the legislation, discovered that a special provision had been included into the act at page 76. That special provision, which no one knew about, was a patent extension and special treatment for a drug called Lodine which people take for arthritis. And now that is in the health care legislation that we all want to get to the President of the United States as soon as we can. But, this afternoon we are faced with this special interest provision being put into the whole proposal.

I just want to make it very clear that neither I nor do I understand any other Member of our side, and to the best of my knowledge on the other side, had any idea whatsoever that this special interest provision benefiting a single company had been included in the health care bill. It is a special interest provision for one particular company that has annual revenues from this one drug, Lodine, of some \$275 million.

The special interest provision gives that company 2 additional years of patent protection and other special benefits. As I understand it, in return, the company would have to pay \$10 million each year for a total of \$20 million to the Federal Government and pay the States so they do not have to pay for the increased costs due to the patent extension.

So the question is, Who pays? Well, the answer to that is, everyone else in America will pay more for Lodine. Every senior and every American who uses this arthritis drug will pay more because this special provision says no one else can compete with this drug for 2 more years. This provision eliminates competition and gives this company a monopoly, which means it can charge whatever it wants for its drug. Our seniors and everyone else will be paying the bill for this special interest provision.

The question is, then, How much more? How much more money will people have to pay? We know that generic competitors historically undercut the price of drugs like Lodine by 30 to 50 percent. That means that when a patent expires, other companies can make and sell inexpensive generic versions of the drug to compete. This provision means that there can be no competition for 2 more years and that means Americans will pay between \$80 to \$130 million more each year for this sweetheart deal.

Now, Mr. President, we all know that this sweetheart deal will cause all the other companies to come in here and ask for special favors also. This deal

for one drug will open the floodgates and will cost consumers hundreds and hundreds of millions of dollars.

Mr. President, the claim is made that we ought to go ahead with this special deal because their competitor has received an extension. That a competitor, called Daypro, got a deal stuck into the continuing resolution in April 1996, without any hearings, without any testimony, without any public review by the committees with jurisdictions, does not make this right. It is an old saying, but it is true: Two wrongs do not make a right. Because one snuck through, we cannot do it again and again and again.

It will not stop with Lodine. There are 12 drugs in this class on the market. You do this for Lodine, and the other 10 will be here tomorrow. In fact, in the last 2 weeks alone, three or four of those other companies have already been in this building asking for special treatment like Lodine. It will not stop here. The special interests will be banging at the door.

Mr. President, this is not really a new issue for some Members of the Senate because there was an effort to include a special deal for Lodine in June 1996, in the Defense authorization bill in the Senate as part of the Hatch-Specter GATT loophole closing legislation. But, then the lobbyists started lining up asking for special treatment for other drugs. They claimed that if Lodine gets special treatment, then they we would have to do it for others.

Then there was the Bliley-Dingell letter to the Defense conferees saying, "Take Lodine out". And the House Judiciary also objected to Lodine, and the conferees took Lodine out of the Defense authorization bill.

That didn't stop the Lodine special provision. The special deal for Lodine was put into the House agricultural appropriations bill in July. But, Senator PRYOR and Senator CHAFEE drafted a letter dated July 26, 1996 to Senator COCHRAN and Senator BUMPERS saying there was no merit and no basis for a Lodine extension. They said there were no hearings or deliberations of any kind in either the House or the Senate to determine if there were any public purpose served by granting this special extension. They urged that it be taken out of the agricultural appropriations bill.

At about the same time, the Senate health care conferees were appointed on July 25. And on July 30, the Republicans gave the Democrats a draft of this section of the health care bill. That draft was dated June 25, but it had no provision relating to the patent extension.

Then, at about the same time, the agriculture appropriations conferees took the special provision for Lodine out of the bill. That, I believe, was also on July 30.

Now, back to the health care bill. On July 31, there were extensive negotiations on both of the issues of portability and on the MSA issues.