

against older Americans and other individual consumers.

Pharmaceutical manufacturers, not drug stores, appear to be responsible for the discriminatory prices that older Americans pay for prescription drugs. In order to determine whether drug companies or retail pharmacies were responsible for the high prescription drug prices paid by seniors in South Dakota, the study compared average wholesale prices that pharmacies pay for drugs to the prices at which the drugs are sold to consumers. This comparison revealed that the pharmacies in South Dakota appear to have relatively small markups between the prices at which they buy prescription drugs and the prices at which they sell them. The retail prices in South Dakota are actually below the published national Average Wholesale Price, which represents the manufacturers' suggested price to pharmacies. The differential between retail prices and a second indicator of pharmacy costs, the Wholesale Acquisition Cost, which represents the average price pharmacies actually pay for drugs is only 13%. This indicates that it is drug company pricing policies that appear to account for the inflated prices charged to older Americans and other customers.

Mr. JOHNSON. Madam President, the results of the South Dakota study are consistent with studies in other States finding that seniors in South Dakota pay inflated prices for commonly used drugs. In fact, seniors are paying twice the amount per prescription compared to the price the pharmaceutical companies sell their drugs to their favored customers. In fact, we found some individual prescriptions where the price differential was as high as 1,469 percent for the same drug. These price differentials are far higher for prescription drugs than for any other consumer good.

The average price differential for the five top selling prescription drugs for seniors is 121 percent, while the price differential for other items considered daily essentials for the consumer is only 22 percent.

The study also indicates that pharmaceutical manufacturers—not the drugstores, not the pharmacies—appear to be responsible for this huge differential. South Dakota pharmacies have relatively small mark-ups, between the prices at which they buy the drugs and the prices at which they sell them.

The question is, Where do we go from here? There is talk about a Medicare add-on for prescription drugs. I hope we can go down that road. Quite frankly, a bipartisan agreement about how to pay for it and administer it simply has not been reached. In the interim, there are alternatives.

The Prescription Drug Fairness for Seniors Act of 1999, which I have sponsored with Senator KENNEDY, will provide a mandate—without the use of tax dollars, or any new Federal bureaucracy—that the pharmaceutical industry sell prescription drugs at the same price to Medicare beneficiaries as they sell to their favored customers. No more discrimination. If the Prescription Drug Fairness for Seniors Act was enacted, we could reduce the cost of prescription drugs available to seniors by approximately 40 percent. There

would be no bureaucracy, no tax dollars, and a huge benefit for seniors all over America. Our pharmacists would use the existing pharmaceutical distribution system and not create any new bureaucracy.

It is estimated that we will reduce drug prices for seniors by approximately 40 percent. There will be no more devastating choices among groceries, rent, and prescription drug costs.

I am pleased our bill is gaining endorsement and currently has the support of 10 of our colleagues, including Senators DASCHLE, DODD, DORGAN, FEINGOLD, HOLLINGS, INOUYE, LEAHY, KERRY, WELLSTONE, and BINGAMAN. Earlier this year, Representatives TOM ALLEN, JIM TURNER, MARION BERRY, and HENRY WAXMAN were joined by 61 of their colleagues when they introduced the House version of this bill, H.R. 664. They have now over 120 co-sponsors.

Several organizations endorsed our legislation, some of which include the National Committee to Preserve Social Security and Medicare, TREA Senior Citizens League, Consumer Federation of America, and Families USA Foundation. Many South Dakota groups have also endorsed our bill, including the South Dakota Coalition of Citizens with Disabilities and the North Central Chapter of the Paralyzed Veterans of America. We now have well over 30 organizations actively supporting this legislation.

Currently, there are several prescription drug proposals in Congress. We ought to have hearings on this issue, and we ought to go forward as aggressively as we can.

Madam President, there is no need to wait. We can act on this now. We can give seniors now the benefit of this 40 percent reduction in prescription drug costs that they deserve and need.

What an irony it is that so many of our seniors wind up not taking their prescription drugs in order to save money and then fall ill with an acute illness and wind up in the emergency room, and then Medicare picks up the tab. Wouldn't it be better if we can find a way to make sure seniors can afford the prescription in the first place to avoid that kind of acute illness, that emergency room visit? The taxpayers will gain, the dignity of the seniors will gain, their physical health will gain. All Americans would be better off with the immediate passage in this Congress of the Prescription Drug Fairness for Seniors Act of 1999.

I yield back such time as may remain.

Mr. BYRD addressed the Chair.

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

Mr. BYRD. What is the situation regarding time?

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

The Senate will now resume consideration of Senate Resolution 186 and Senate Resolution 187, which the clerk will report.

Mr. BYRD. Madam President, I ask unanimous consent that I may proceed as in morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

BUDGET CAPS AND EDUCATION FUNDING

Mr. BYRD. Madam President, shortly we will be debating two resolutions regarding education funding. Though there are differences in the approaches taken in the resolutions, the bottom line is similar—namely, this Senate and this Congress need to support education, and we need to find sufficient funding to meet our obligations to America's students. We need to support our struggling schools as they attempt to provide safe, disciplined environments in which our youth can learn both the fundamentals of history, literature, mathematics, and science, as well as the emerging fields of the next century—computers, satellite communications, advanced electronics and other information technologies that are reshaping the American workplace.

On this bottom line, we all agree. The difficult part in this difficult appropriations cycle is, how do we get there? Our funding levels are too low to meet the administration's request, too low to meet the needs that we can all see and agree need to be met, but we are constrained by a budgetary straightjacket imposed in 1997. All year, I have advocated breaking the budgetary caps in order to meet our most pressing needs, but until that happens, the Appropriations Committee must play the cards it has been dealt.

The Appropriations Subcommittee on Labor, Health and Human Services, and Education, will meet to mark up an appropriations bill that contains funding for education, among other things. When all is said and done, Madam President, I am very proud of the work of our Committee on Appropriations this year. I have served with many great Senators and I have served with a number of great chairmen of the Committee on Appropriations. None has handled their responsibilities any better than has our current Appropriations Committee Chairman, Senator STEVENS of Alaska. He has worked closely with me throughout his tenure as chairman of the committee in as nonpartisan a manner as anyone I have ever worked with. We have handled these very difficult matters as best we could to the benefit of all Senators and for the American people. In so doing, despite these crushing spending caps, we have been able to pass in the Senate most of the appropriations bills. The final bill, namely the Labor-HHS appropriations for FY 2000, will be marked up in subcommittee this evening and, in all

likelihood, in the full Appropriations Committee tomorrow.

Madam President, frankly, I see no intellectually honest way to adequately provide for education without breaking the budgetary caps.

I know neither side wants to suggest that the caps be broken. Each side wants the other side to be the first. I have no hesitancy to say how I feel because I am interested in education. I am interested in meeting the needs of the country and meeting the needs of the people. If it cannot be done without breaking the caps, then so be it.

I cannot support these two resolutions, not because I disagree with their intent, but because I cannot voice my support for increasing education funding on the one hand while in the same breath saying that the budget caps cannot be broken. Education is important. If it is important, it is worth breaking the budget caps. And it is. It is worth breaking the budget caps. Budgetary gimmicks that add months to the fiscal year or that take funds from other critical programs like heating assistance for the poor and the elderly will not hold up over time. They are very frail reeds, very weak reeds, to which to cling in the face of hurricane force winds of need.

Madam President, I yield the floor.

EXPRESSING THE SENSE OF THE SENATE REGARDING REAUTHORIZING THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

TO EXPRESS THE SENSE OF THE SENATE REGARDING EDUCATION FUNDING

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. Res. 186 and S. Res. 187, which the clerk will report.

The legislative assistant read as follows:

A resolution (S. Res. 186) expressing the sense of the Senate regarding reauthorizing the Elementary and Secondary Education Act of 1965.

A resolution (S. Res. 187) to express the sense of the Senate regarding education funding.

The PRESIDING OFFICER. There will now be a total of 2 hours debate on the two resolutions under the control of the two leaders.

Mr. BYRD. Madam President, I suggest the absence of a quorum and ask unanimous consent that the time be charged against each side.

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

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

The Senator from Arkansas is recognized.

Mr. HUTCHINSON. Madam President, as I rode to the office this afternoon, I was listening to news accounts which were reporting that the President was making a series of speeches in which he was criticizing the congressional majority and their plans for education and education improvement in this country.

It seemed to me as I listened to the news accounts—assuming they were accurate—the President was basing his criticism on two counts: No. 1, if you did not believe that his priorities in education were the proper priorities, then you did not really value education in this country and you were failing in your commitment to public schools. His second criterion was the amount of money that was going to be spent on public education at the Federal level.

So really two criteria: You have to spend it where he wants to, and you have to spend the amount he desires, or else you have failed in some kind of litmus test as to a commitment to education.

I reject both of those tests. I think, as you look at the amount of money and the increases in funding for education nationally over the last 25 years, you have to conclude that simply spending more money is not the answer to improving education—that that criterion fails. If that is going to be the criterion, well, then, there may be a lot of people who can say they are committed to education but with very little evidence of success or results.

Because we, as Republicans, disagree with the President's particular priorities, which are funding a new program for 100,000 teachers, whether or not that happens to be the great need in a particular area; and increased funding for the construction of schools, though we know there are many dilapidated schools, many schools that are in need of construction, that may or may not be the priority, the great need in a particular area—because we disagree with his priorities and his effort to further nationalize education in this country, he would deem us then as lacking commitment to education.

I believe, with the reauthorization of the Elementary and Secondary Education Act this year, we have a golden opportunity to dramatically improve Federal education programs that for years have not provided a good return for every dollar.

If we are going to spend taxpayers' money on education—and poll after poll indicates that this is a high priority with the American people; it is high on their list of where they believe emphasis should be placed—then I suggest we must hold the States, we must hold school districts, we must hold even individual schools accountable for the funds they are receiving.

In the past, ESEA has not rewarded success nor has it punished failure. Instead, money is allocated only for specific uses, with no results demanded or expected.

For example, we allocate funding for technology in schools, but in no way do

we require schools to show us how this is helping kids to learn. We only require them to use the funding appropriately, but there is no link to the ultimate goal, which is and should be student achievement. In category after category, we find this to be the case. We provide the funds and so long as the States can demonstrate they are spending it appropriately—that is, for the appropriate category—there is no requirement that they demonstrate student achievement.

I believe this system must change. We must allow schools more flexibility in how they use funding to meet their individual needs and show how they are improving student achievement for all students. The bottom line should be, the bottom line must be, in education: Are students learning? Not are we spending more money, not is our funding increasing, not are they meeting a set of regulations that can fill out the forms and demonstrate that they, in fact, have spent technology money on technology, but are students learning, are student achievement scores increasing? That must be the ultimate test.

It is in that area that Federal education programs have abysmally failed. Schools currently receive Federal funding with so many strings attached they cannot effectively use the funding they receive. I believe those strings must be reduced so that the only requirement is the dollars are being spent in the classroom to enable children to learn.

Over the past 34 years, since the Elementary and Secondary Education Act was first passed, it has grown dramatically in size and scope. The Department of Education currently administers 47 K-through-12 programs that are authorized under ESEA. In his fiscal year 2000 budget proposal, the President wanted to create 5 new programs in addition to the 47 currently administered by the Department of Education. I suggest to my colleagues on both sides of the aisle, the last thing this Congress should do is add 5 new programs to ESEA, when all the evidence is that we are failing in the 47 that currently are authorized.

Diane Ravitch, a senior fellow at the Brookings Institution and former Assistant Secretary of Education, who has testified on numerous occasions before congressional committees, puts it this way:

At present, American education is mired in patterns of low productivity, uncertain standards, and a lack of accountability. Federal education programs have tended to reinforce these regularities by adding additional layers of rules, mandates, and bureaucracy. The most important national priority must be to redesign policies and programs so that education funding is used to educate children, not to preserve the system.

The proposal from the President to add five new programs to ESEA simply reinforces the status quo. In fact, it expands the existing system which has failed American students so terribly.

A study by the Ohio State Legislature reported that more than 50 percent of the paperwork required by a