

From this gentleman's perspective, it was a pleasure to work with General Gordon while he wore the uniform of the United States Air Force. I am sure he will bring the same diligence and professionalism and integrity to his first civilian job as the Under Secretary of Energy for Nuclear Security and the first administrator for the National Nuclear Security Administration. As we all know, our nuclear secrets and weapons abilities will be more secure, and needs to be more secure in places like Los Alamos, with John Gordon as their steward. We look forward to his taking up the reins.

On behalf of the members of the House Permanent Select Committee on Intelligence, I would like to thank General John Gordon for his continuing service to our Nation. I wish John and his wife, Marilyn, and their daughter, Jennifer, all the best for their future. I offer sincere gratitude for the family sacrifices I know have been made to allow General Gordon to commit so much time and energy to distinguish himself in critical 7-day-a-week, 24-hour-a-day top-level jobs that he has done so well. That is a great contribution to our country. It deserves to be recognized.

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PRESCRIPTION DRUG COVERAGE FOR SENIORS TOP PRIORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Ms. STABENOW) is recognized for 5 minutes.

Ms. STABENOW. Mr. Speaker, I appreciate the opportunity to rise today and have an opportunity to speak about an issue that I have come to the floor very frequently to speak about for many, many months now.

I am asking my colleagues to make sure that we place prescription drug coverage for seniors under Medicare as a top priority for us before we leave session this year. Time is running out.

We have the best economy in a generation. We have budget surpluses that we are deciding how to use and how to invest. I cannot think of a more important issue than investing in the future health and well-being of older Americans and families all across the United States.

I have been coming to the floor of the House on a regular basis to speak out and to share stories of constituents of mine, family members, older Americans who have been calling me and writing me.

I set up a hotline back in August of last year and have set up something called the Prescription Drug Fairness Campaign, whereby I have been asking people to share with me their stories, what is really happening in their lives as it relates to the issue of their medications and the high costs of prescription drugs. I have been overwhelmed with the letters and the phone calls that we have received.

I want one more time to be reading a letter this evening on the floor of this

House from one of my constituents in Michigan. This is a letter from Mr. James Schlieger from Flint, Michigan. He writes to me: "My wife Joan has Alzheimer's Disease. In 1999, my out-of-pocket payment for preparations was \$3,020.43. Our other medical expenses were \$3,909.79. Our Social Security income is \$20,252. This leaves us little over \$13,000 to pay our property taxes, utility bills, food, and gasoline and all of our other expenses. Bottom line, there is nothing left to enjoy the Golden Years. With my wife's condition, in a few years, we will have depleted our savings, then we will have to become dependent on government care. Please help us. James Schlieger from Flint, Michigan."

I think we need to help Mr. Schlieger. We need to make sure that our seniors are not using all of their savings to pay for the cost of the health care that they are supposed to be receiving under Medicare.

This Sunday is the 35th anniversary of the day that the Medicare legislation was signed. At the time it was set up, it covered the way health care was provided. The promise was there that, once an American reached the age of 65 or was disabled, they knew that there would be health care available to them.

The difficulties that we have now is that health care has changed. The way we treat people has changed. Instead of it being in the hospital and with operations and inpatient prescription drugs, we are now in a situation where the majority of care is outpatient, is home health care. It almost always involves prescription drugs. So Medicare simply needs to be modernized to cover the way health care is provided today.

There are others who are talking about privatizing. There are others talking about other kinds of approaches. I would urge my colleagues to simply look at a system that the seniors of our country know and trust. It has worked. It just needs to be updated. If we cannot do that now with the best economy in a generation, with budget surpluses and the ability to take a small percentage and invest that back into Medicare to lower the cost of prescription drugs, I do not believe we ever will.

So I call on my colleagues one more time. Let us not let one more senior sit down at breakfast in the morning and decide, do I eat today or do I pay for my medications? That is a choice that older Americans should not have to make.

I am going to do everything in my power to fight on behalf of the seniors of Michigan, to make sure that we modernize Medicare for prescription drugs.

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WHALE KILLING ENDS FOR MAKAH INDIAN TRIBE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, the Makah Indian Tribe in Washington State has been granted special permission by the Clinton-Gore administration to kill four gray whales each year. They have already killed one whale and injured at least one. By the way, for every whale killed, there is an average of two that are injured and get away.

But last year, I filed an appeal along with several co-plaintiffs to overturn the decision made by the U.S. District Court to allow whaling by the Makah Indian Tribe. Two months ago, a three-judge panel from the 9th Circuit Court handed down a decision in that case. The decision specifically confirmed my position. We won. Whale killing was ended. The only way the Clinton-Gore administration would be able to gain approval for this whale hunt now would be to blatantly violate the Federal environmental protections law.

In fact, the court specifically asked, and I quote from the decision language, "Can the Federal Defendants now be trusted to take the clear-eyed hard look at the whaling proposal's consequences required by law, or will a new (Environmental Assessment) be a classic Wonderland case of first-the-verdict, then-the-trial?"

Alice in Wonderland, indeed. However, in this story, the heads that are being chopped off belong to the majestic gray whales that ply the western coast of America and each year travel north to the Bering Sea and occasionally even to Siberia. Most Americans believe that we have risen above the wanton slaughter of the buffalo for their hides, or the whales for the value of their body parts.

This would have been the first step toward returning to the terrible commercial exploitation of whales of the 19th century. In the papers filed with NOAA by the Makah Tribe, the tribe refused to deny that this was a move toward renewal of commercial whaling.

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It is important to understand that the International Whaling Commission has never sanctioned the Makah whale hunt. Under the International Whaling Convention, of which the United States is a signatory, it has been legal to hunt whales for scientific or aboriginal subsistence purposes only. The tribe clearly has no nutritional need nor subsistence need to kill the whales.

Even in the face of the strong International Whaling Commission's opposition to the original Makah proposal in 1997, the U.S. delegation unbelievably ignored years of U.S. opposition to whale killing and cut a sleazy deal with the Russian government in a back-door effort to find a way to grant the Makah's the right to kill whales.

The agreement was to allow the Makah Tribe to kill four of the whales from the Russian quota each year under the artificial construction of cultural subsistence. Before this shameful back-door deal, the United States had led the opposition worldwide to any

whale killing not based on true subsistence need. Cultural subsistence is a fraud. It is a slippery slope to disaster.

Cultural subsistence would have expanded whale hunting to any nation with an ocean coastline and any history of whale killing. The whaling interests in Norway and Japan, who still occasionally pirate whales on the high seas, were delighted with the U.S. position. They have orchestrated and financed an international cultural subsistence movement. America's historical role as a foe of renewed whaling around the world would have been drastically undercut.

The treaty signed by the Makah Tribe in 1855 only gives them the right to hunt whales in common with the citizens. This provision was to ensure equal rights, not special rights. Now, under the 9th Circuit Court ruling, the Makah Tribal Government will not be allowed to kill whales when it is illegal for anyone else in the United States to do so.

It is shameful that the Clinton-Gore administration supported a proposal that flies in the face of the values, interests and desires of the majority of United States citizens. It violates the law and the clearly stated U.S. policy in opposition to whaling.

I support those Makah tribal elders and others who oppose this hunt, and I am deeply appreciative of the court ruling and our success in stopping the renewal of the barbaric practice of whaling.

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ENSURING A COMPETITIVE AIRLINE INDUSTRY

The SPEAKER pro tempore (Mr. LATOURETTE). Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 5 minutes.

Mr. OBERSTAR. Mr. Speaker, I am deeply troubled over the possibility of mergers of major domestic airlines. Many observers have predicted that if the proposed merger of United Airlines and US Airways is allowed to proceed, it will be followed by mergers of other major carriers, and soon we will have an industry dominated by three mega-carriers. This would be devastating to consumers.

The father of deregulation, Alfred Kahn, observed "Because of the United-US Airways threatening to set off a series of imitative mergers that would substantially increase the concentration of the domestic industry, there is a possible jeopardy here to the many billions of dollars that consumers have been saving each year because of the competition set off by deregulation."

I am strongly opposed to the United-US merger and other mergers that likely will follow. I have asked the Department of Justice and Transportation to use all available authority to stop the mergers under the antitrust laws, and many Members have indicated they share those concerns.

At hearings held in several House and Senate committees there was little

support for the United-US merger. Members raised concerns about the impact of the merger on service to the areas they represent as well as to the Nation at large. As one Member in our hearing in our Committee on Transportation and Infrastructure observed, "I don't think the merger is a win-win for the consumer. As a matter of fact, it might be a lose-lose look for the consumer." A number of Members expressed the sentiment that if Congress were to vote on the proposed United-US merger, it would fail.

I hope and expect that the Department of Justice will heed those strongly-held views. At the same time, however, I believe we have to begin thinking about steps we would take to protect consumers if competition in the industry is reduced to a point where it is no longer an affective check on monopolistic behavior. I must emphasize that this type of legislation is not my preference. I would greatly prefer an environment in which consumers are protected by adequate competition in a free market.

The legislation I am introducing will give the Department of Transportation extended authority to protect the American consumer should a series of mergers or acquisitions be approved, leaving our domestic market with three or fewer carriers, who would account for over 70 percent of scheduled revenue passenger miles. The authority that I would extend to the Department of Transportation in this legislation will include oversight of air carrier pricing, anti-competitive responses to new entrant competition, and other unfair competitive practices.

This is not reregulation. Airlines will remain free to set prices and enter or leave markets without prior government approval. But the bill will give DOT authority to intervene if the airlines take unfair advantage of the absence of sufficient competition.

I just want to cite the highlights of this legislation. The bill would take effect when, as a result of mergers between two or more of the top seven carriers, three or fewer carriers control more than 70 percent of domestic revenue passenger miles.

Monopolistic fares. The Secretary of Transportation is authorized to require reduction in fares that are unreasonably high. When the Secretary finds that a fare is unreasonably high, he may order that it be reduced and that the reduced fare be offered for a specified number of seats and that rebates be offered.

Preventing unfair practices against low-fare new entrants. If a dominant incumbent carrier responds to low-fare service by a new entrant, and matches that low fare, and offers two or more times the low-fare seats as the new entrant, the dominant carrier must continue to offer the fare for 2 years, for at least 80 percent of the highest level of low-fare seats it offered.

Increasing competition at hubs. If a dominant carrier at a hub airport

takes advantage of its monopoly power by offering fares 5 percent or more above industry averages in more than 20 percent of hub markets, DOT may take steps to facilitate added competition at the hub.

And, finally, the measures to encourage competition may include measures relating to the dominant carrier's gates, slots, or other airport facilities, to travel agent commissions, frequent flyer programs and corporate discount programs.

I hope we do not ever have to come to a point where this legislation must be enacted and must take effect. I hope that the Justice Department will disapprove the United-US merger and discourage all other mergers that are likely to follow this one. If not, and if the domestic airspace and the world airspace is reduced to three globe-straddling mega-carriers, then we will need this legislation in place to protect competition and protect consumers.

Mr. Speaker, I want to go into a little more detail about some of the problems my legislation seeks to address.

MONOPOLISTIC FARES

If the airline sector is reduced to three major carriers the remaining mega-carriers could substantially reduce competition and raise fares. The way airline competition works today, when established carriers control markets, the tendency is for the carriers to follow each other's fare changes so that the fares are identical, and the passenger choice is limited. These tendencies would be magnified if there were only a few major airlines. There would be enormous incentives for each carrier to avoid competing with the others at their strong hubs and routes. This strategy would likely lead to the greatest mutual profitability, while strong competition across the board could prove suicidal. As the DOT aptly stated, "[e]conomic theory teaches that the competitive outcome of a duopoly is indeterminate: the result could be either intense rivalry or comfortable accommodation, if not collusion, between the duopolists." Collusion to fix prices is not new to the airline industry—in 1992 it was caught red-handed in an elaborate price-fixing scheme using computer reservations software.

The impact of mergers on fares goes beyond the effects of having only three major competitors. Each merger by itself eliminates competition between the parties to the merger; history shows that this reduction in competition will lead to higher fares. The General Accounting Office, in a 1988 report, found that after TWA bought Ozark, it raised roundtrip fares 13 to 18 percent on 67 routes serving St. Louis. An October 1989 report by the Economic Analysis Group, a DOJ research arm, noted that: "The merger of Northwest and Republic appears to have caused a significant increase in fares [5.6 percent] and a significant reduction in overall service on city pairs out of Minneapolis-St. Paul." That happened despite the fact the number of cities served from Minneapolis-St. Paul increased after Northwest/Republic merger.

My bill will give DOT authority to intervene if carriers take advantage of the absence of competition by raising fares above competitive levels. The bill gives DOT authority to require