

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:06 a.m., with the time to be controlled by the majority leader or his designee.

The Senator from Massachusetts is recognized.

COLLEGE LOANS AND THE COST OF HIGHER EDUCATION

Mr. KENNEDY. Mr. President, I want to bring to the attention of the Senate and the American people one of the great challenges this country is facing again, and the failure of the Bush administration to respond to this challenge, and that is the cost of higher education. I don't think there is anyone or any family who is watching the U.S. Senate this morning who isn't concerned about what the cost is for higher education—for their children, who are in college at the present time, or parents whose children have gone to college and endured the debt.

It is absolutely extraordinary to me, at this time of real crisis, in terms of availability of college for working, middle-income families that the Bush administration has now suggested a way that will make the cost of college education even higher and the debts even deeper. I draw again to the attention of the Senate this AP story from last week, where the White House suggested \$5.2 billion in savings from Federal student loans.

White House Budget Director Mitch Daniels proposed savings to House Speaker DENNIS HASTERT. Among Daniels' proposed savings is to require college students and graduates who wish to consolidate their Government-backed education to use variable interest rates. That means that the Bush administration is saying to college students, rather than being able to take advantage of the low-interest rates at the present time, they will have to take their chances on the variable interest rates.

What is that going to cost for the average student and the average family? The average family in this country who borrows ends up with a \$17,000 debt. In my State, it is about \$23,000 or \$24,000. The best estimate is that it is going to cost that family at least \$3,000; if it is going to be over a 30-year period, it will be an additional \$10,000. Do families understand this proposal of the Bush administration?

Now, we are, as Democrats, extraordinarily concerned. We have sent a letter to the administration. Our committee, the Education Committee, has invited Mr. Daniels to testify on this

particular issue, so that we can better understand what the reasons and the rationale are—other than that the Federal Government can effectively take back that money from the students and use it for the tax cut for the wealthiest individuals. This is a tax increase on working families that are going to school.

Now what has been the administration's response? The Democrats are virtually unanimous. There are 46 of our Democratic colleagues who have said they will stand in the way and will not permit it. We will have a legislative fix, and we will not permit it. We are telling the administration that.

What has been the reaction of the administration? If we look at the reaction of the administration, according to Deputy Education Secretary William Hansen, they yesterday dismissed the Democratic criticism as incredibly disingenuous.

It is not the Democrats who are disingenuous. It is the Bush administration's proposal to raise the cost of going to higher education.

Is this something that we say is the cost of higher education? I refer again to a story that is in the New York Times—and there is a similar story in the Washington Post this morning—“Greater Share of Income is Committed to Education.”

Poor and middle class families have had to use a steadily larger portion of their income to attend the Nation's public universities over the last 2 decades as State spending for higher education has lagged behind. All of these trends are unhealthy for the future of educational opportunity in this country, says Patrick Callan, President of the National Center for Higher Education.

That is not a Democratic Senator. This is the president of the National Center for Higher Education in San Jose, CA, which commissioned the study with the support of the Ford Foundation and the Pew Charitable Trust. These are independent studies. These are independent studies, and still the administration stays the course and says, well, even in spite of this fact, we are going to even make it more difficult and more complex.

We reject that at the outset. I bring to the attention of the Members a response that Ari Fleischer had yesterday from the White House when he was asked about fixed versus variable rates. Mr. Fleischer's response:

Well, we are just going to continue to work with Congress to find a solution. The idea was always a voluntary one, never a mandatory one.

Mr. Fleischer better understand what this whole proposal is about because this is poppycock. What is mandatory, according to the administration, is they get the variable rate. What they are taking away from the student is the opportunity to take advantage of the low rate. It is still a live consideration, and I do not know who Mr. Fleischer is talking to in the Congress to find a solution.

He also makes reference to the fact about what the administration is doing

in funding and education. I, again, remind the Senate about where the administration is on its budget now and in the future on education. This year the President is requesting \$50 billion in discretionary appropriations for the Department of Education, an increase of \$1.4 billion, or 2.8 percent. That is what the administration is suggesting.

If we look at last year's budget conference report, on page 51, they outline the baseline estimates which do not reflect any specific policy except for defense. President Bush's budget authority for the year 2002—this report assumes that discretionary function levels grow by inflation.

What is that saying? That over the next 9 years, this is the Bush proposal on funding education: zero. This is what they say.

Now, we are shortchanging the children in this country. If we look back at this last year, primarily at the behest of the Democrats, we saw an increase in the elementary and secondary education. The proposal of the Bush administration is zero in the outyears and is now attempting to tamper with the interest rates to make it more costly. Now, that is an intolerable position for the Bush administration to have.

There is a failure to fund the elementary and secondary education adequately, and they are putting an additional tax on every family in this country sending their children to school. Sixty-three percent of the students who attend higher education are borrowing at this time. The average cost across the Nation is \$17,000. Every family, if their proposal goes forward, is going to pay at least \$3,000 more.

We are not going to tolerate it. It is difficult for many of us, who thought we were going to see a strong commitment in the area of education, to understand in a budget of over \$2 trillion why the administration has to target working families and middle-income families. I do not understand that.

They say education is important. They have over a \$2 trillion budget and they cannot find the funding in the areas of education. I want to let our colleagues know we are going to do everything in resisting this proposal. From an educational point of view, it makes no sense. From a national interest point of view, investing in education and our children is investing in our future.

I see my colleague and friend, the Senator from Michigan, who is doing such an outstanding job on bringing to the attention of the Senate the importance of prescription drugs. I commend her for her eloquence, persistence, and leadership in this area. I tell her that on behalf of all the people of Massachusetts. We are enormously grateful to her for bringing these facts to the attention of the membership. I hope she will address the proposal we had from the House Republicans yesterday on the issue of prescription drugs. I think myself it is more of a series of platitudes rather than a core program. They

refuse to commit the resources which are necessary. It seems to me that a bus ticket to Canada will probably save seniors more than the Republican proposal. I am going to be interested in her reaction to that, and her statements about the importance of assuring our senior citizens that a prescription drug program be a part of our Medicare system.

I yield the floor.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Michigan.

Ms. STABENOW. Mr. President, first, I wish to thank the senior Senator from Massachusetts for his continued advocacy on behalf of all of the issues that directly affect our families every day. Speaking first to the issue of education as the mother of a 26-year-old who has completed college—I feel as if I own a part of one of the buildings at that great university, the University of Michigan—and my daughter who is now in college, I completely understand and share the deep concerns Senator KENNEDY has about the proposals that will essentially put another \$10,000 of tax on middle- and low-income families over the course of taking out student loans to put their children through college.

It seems to me, as we are talking about the national interest, the importance of national security, that a critical piece is an educated workforce and an educated citizenry. I cannot imagine who was thinking up this proposal at the White House, but I hope they understand we are going to stand together to stop any effort that will add costs to families who are working to put their children through college.

PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I rise to speak specifically to another proposal on principles that was released yesterday in the House of Representatives. We have been urging now, since I came to the Senate over a year ago, and certainly before that time, that our colleagues from the other side of the aisle join with us to act to get action in two areas related to critical health care and prescription drugs: One, a comprehensive Medicare prescription drug benefit. Modernize Medicare, update it. Everyone knows that it was written in 1965 and covers the way health care was provided in 1965. It needs to be updated to cover prescription drugs, the primary way that we provide health care today.

Second, we know there are important actions we can take right now to lower the cost of prescription drugs for every family, not only for our seniors who use the majority of prescriptions—on average 18 different prescriptions a year—but also for those families who have a disabled child or another family member who is ill. We need to lower the costs now. We need to lower them for small businesses. We need to lower them for larger businesses. Our farmers are struggling with higher costs. We can do that.

Certainly we appreciate that our colleagues have come together with fanfare to talk about four principles: One is lowering the cost of prescription drugs now. I suggest that putting those words on paper does not lower the cost of one pill. It does not make one more prescription available to our seniors.

I welcome the words, but our seniors and our families have had enough words. They are interested in action. We have to be working in a bipartisan way. We come as Democrats to say: Work with us; let's get beyond the words, beyond the principles and get something done.

We are interested in lowering the cost of prescription drugs, and we have numerous proposals. I will speak to those for a moment before speaking about Medicare prescription drug coverage.

We know, for instance, if we allow the normal course of patents to run out and for the process to work where lower cost generic drugs can be used, we can dramatically cut costs immediately. We have colleagues—Senator SCHUMER and Senator MCCAIN—who are putting forward an important bill to close loopholes that the drug companies have used to block generic drugs from going on the market and to block the lowering of the cost of drugs. We can pass that bill right now and drop the cost. We can open our borders to Canada. Senator DORGAN, of North Dakota, has introduced a bill; he is in the Chamber, and I am sure he will speak to that shortly. I am pleased to join him.

This is an effort in which I have been involved since being in the U.S. House of Representatives. I have taken two bus trips to Canada with our seniors to demonstrate that by working through the Canadian Medical Society we can lower the cost of prescription drugs. It is astounding. These are American-made drugs. I am proud they are made in America. I am proud we have invested in the research and technology—taxpayers, private companies, biotech companies, biomedical companies, drug companies. But when all is said and done, if no one can afford to get the medicine, what have we done?

We now find ourselves in a situation where we subsidize and pay for the research from which the world benefits; yet our borders are closed and our own people cannot go across the border to get the same drug at half the price.

Mr. KENNEDY. Will the Senator yield for a question?

Ms. STABENOW. I will be honored to yield.

Mr. KENNEDY. Is the Senator aware that under the House Republican plan, senior citizens would have to spend \$670 before they received a dime of benefits? This is the cost of the premiums of \$420, and the deductible which is \$250. That comes to \$670 before they get a dime of benefit.

Is the Senator familiar with the fact that the average senior citizen's income is only \$15,000, and the average prescription drug need is \$2,200?

Ms. STABENOW. Yes.

Mr. KENNEDY. We all want to find common ground and work together. Requiring the seniors to pay \$670 before they get a dime of benefits does not seem to me to fulfill the commitment this country made to our seniors when we passed Medicare and said: Pay in, and we are going to help relieve the anxiety you have about quality health care. I am interested in whatever comment the Senator wishes to make.

Ms. STABENOW. I thank the Senator. As the Senator from Massachusetts has indicated, the Medicare proposal that we believe is coming—again, we only have principles. We do not have the specifics. We are piecing together from news stories and other sources what it appears to be. In fact, going beyond what the Senator from Massachusetts has said, not only are we talking about the premium, the deductible, the copays—and there are two different levels of copays—but nothing is covered once you reach \$2,000 until you have spent \$5,000. So there is a huge gap in the middle.

If we take the example of a senior who is spending \$300 a month on prescription drugs—and that is not unusual. It might be a breast cancer patient who is purchasing tamoxifen, which in Michigan is \$136 a month. If you add to that blood pressure medication or cholesterol medication or another drug, the amount could easily come to \$300 a month. If you add that up and look at all that it appears from that proposal, Mr. President, of the \$3,600 a year that one would be paying out of pocket, one would still spend \$2,914.

If someone is paying \$300 a month now in prescription drug costs, less than 20 percent of that would be covered under the Republican proposal.

Mr. KENNEDY. Will the Senator be good enough to yield for another question? Does not the Senator think then we have to deal with the substance and the reality rather than the clichés and the slogans?

Ms. STABENOW. Absolutely.

Mr. KENNEDY. I am sure we are going to hear from the other side: We have a prescription drug proposal. Does the Senator agree with me that is really a misrepresentation? If we accept that as a concept, it will do people in my State little good.

I understand the Senator is a strong supporter, and I see in the chair the Senator from Georgia who has worked very closely with the Senator from Florida on an excellent program, and I commend him for it.

Does the Senator agree if we are going to do something, let's help our seniors and not misrepresent what we are trying to do for them?

Ms. STABENOW. Absolutely. I add also, one of my deep concerns is that in order to pay for this, they are talking about Medicare "reforms." Unfortunately, the reforms we are hearing about are proposals such as adding the cost of home health care, requiring a