

I commend my colleagues for producing this bill. It is like every legislative piece. It has a few warts on it. If you are expecting the perfect, this is not it. But we need to do this. We have been arguing about it for 3 or 4 years. The things that held us back in the past we did set aside. Now we are going to be able to get this legislation.

When you look back on this year, there is going to be a lot the Senate can take credit for having made a difference in the country—the tax bill, the partial-birth abortion legislation, energy legislation, and transportation bills.

I am glad we have this legislation. I urge my colleagues to support it. It will make a difference for the future.

I thank Senator HUTCHISON of Texas for putting together this opportunity for us to speak.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I appreciate the remarks of the Senator from Mississippi. He was on the conference committee. He worked hard, knows how hard the compromises were. I appreciate his leadership because we can't depend on foreign countries for 60 percent of our energy needs and have a stable economy and keep the jobs we have and create more jobs for our recovery. I thank the Senator from Mississippi and the Senator from Oregon. The Senator from Oregon also has been a leader in this field. I appreciate so much his remarks and his leadership in this area.

I ask how much time remains in morning business?

The PRESIDING OFFICER. Eight minutes ten seconds.

Mrs. HUTCHISON. I yield the remainder of our time to the Senator from Pennsylvania, Mr. SANTORUM.

MEDICARE REFORM

Mr. SANTORUM. Mr. President, I thank the Senator from Texas and thank colleagues for their remarks this morning. I rise to talk about the Medicare prescription drug bill that is still being worked out. I think it needs to be stated that this is still a process. We have an agreement in principle, but there are still issues having to do with how much the bill will cost and whether it is going to be within the \$400 billion framework that has been laid out by both Houses of Congress and by the President. They are still working through that.

As a result, there will be some changes, probably, over the next 24 to 48 hours as to what this bill is going to look like in particular. But we do have a sense of what the broad outlines are. I have to tell you in all honesty, it is like any piece of legislation. There are some things that I really like, and there are some things that are good and I am in favor of. There are some things I don't like, and there are some things that I just darn well wish were not in the bill.

The question is, How do you come out? That is a decision that every one of us is going to have to make on both sides of the aisle, because there are things I am sure every Member in this Chamber can look at and say: This is a good thing. The problem is, for about half of us who say it is a good thing, the other half will say it is a bad thing. But that is the nature of compromise. You try to come together to work out an overall package that is going to be beneficial to seniors, beneficial to taxpayers, and beneficial to the Medicare system over the long haul.

That is what I want to talk about today. I think on balance this is a bill that achieves that.

Let me lay out sort of my thoughts. No. 1, I am concerned with the overall Medicare system, the long-term health of that system. I think in part that is dependent upon the private sector system of this country upon which Medicare was built.

You have to remember, Medicare was built on a 1965 Blue Cross plan. That was a private sector plan. The reason we are doing Medicare prescription drugs is because the private sector has been offering that for some time. So Medicare tends to follow what the private sector does.

The question is, What is the private sector doing now? They are doing a lot of managed care, HMOs, PPOs, and other things insurance companies are trying to do to try to get costs under control, to increase quality and efficiency.

Well, what are we trying to do with reforming the Medicare system? We are trying to put PPOs into Medicare. We already have some HMOs there. We are trying to expand that. What we are trying to do here is to conform Medicare to sort of a current state of play, as it was in 1965, and we are trying to conform it to what is working best in the private sector today. So that is one of the objectives we are trying to accomplish.

This is my problem. I don't think, necessarily, that the current private sector—just as in 1965—is necessarily the most efficient way to run a health care system. I think there are fundamental underlying problems in the health care system that we are paying the costs for today. That is why our health care costs continue to go up. I think the fundamental problem is that people are not paying for their health care. When I say that, it is not that people are not paying for it through insurance. They are, and their premiums and copayments are going up to some degree.

The overall cost for employers is going up, no question. One of the reasons the cost is going up is that utilization is going up, is that people's out-of-pocket expenditures don't conform to the benefit they are getting. In other words, they are paying \$2 for \$10 worth of service. As long as you are paying \$2 out of pocket for a \$10 benefit, you are probably going to continue to consume

that benefit, disproportionate to other activities where you put \$2 out of pocket and get \$2 of benefit. We have to change that dynamic in health care, while maintaining insurance for people who need that coverage.

The way this bill does that is just crucial. One of the reasons I am very excited about the bill is it puts in a provision called health savings accounts, which sets up a system in the private sector—it is not a Medicare provision but it is in the Medicare bill—it sets up a private sector reform to allow people to set up accounts so they can take more responsibility and more control over their health care expenditures. In a sense, by living healthier lives, by doing preventive care, doing all the things to maintain good health, they can actually save money and—this is the kicker—keep it. The insurance company doesn't benefit if you stay well and do the good things and you don't end up in hospitals or having surgeries. You benefit.

So we are fundamentally changing the dynamic at the private sector, pre-Medicare level. Why is that important? If this is successful—and I believe it will be—it becomes a building block for future reform of Medicare, because once the employee population with private sector insurance, pre-Medicare, becomes used to and comfortable with this kind of program, they will be demanding it when we get to Medicare.

It will infuse in Medicare what I believe is ultimately necessary, which is more individual control and responsibility for their health expenditures. So I argue that of all the things done, interestingly enough, in this Medicare bill, the most important thing I think we do, as a conservative, as somebody who believes in giving people more power and giving individuals more control, more choices, the most important thing we do in the Medicare bill isn't in Medicare but it is going to be a dramatic impact on it when the baby boomers retire and the costs go out of control.

I make the argument—and we can get into the details of the Medicare bill—from the standpoint of a Republican conservative and to conservatives across this country, what we are doing with the reform in health savings accounts—they used to be referred to as medical savings accounts—is probably the most important, I argue, for the long-term future of Medicare because, as I said before, Medicare reform follows private sector reform. When the private sector changes, eventually Medicare will change to reflect that because that is what the public will want and demand.

Within the Medicare system, we do put some reforms into place that are important. We have the reforms to Medicare Part B. We do put a Medicare drug bill in. Some people are saying: Well, as a conservative Republican, why do you want to put in a \$400 billion new entitlement?

The fact is, we have a health care system that doesn't cover health care

expenses. If we have a health insurance system that doesn't cover 50 percent or, in some cases, more than 50 percent of the actual costs most people consume in health care expenditures, what kind of health care system is it, as far as insurance is concerned? It is not a very good one.

Again, some Republicans are saying, well, we should be doing what the market is doing. Well, what the market did was cover drug costs. For us not to do that—I think it is a little disingenuous to make the argument that we should not take on this liability. I agree we need to have reforms and control costs, but we need to take on this responsibility because it is part and parcel of good quality health care in America today.

The PRESIDING OFFICER. All time has expired.

Mr. SANTORUM. I thank the Chair.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

The majority leader is recognized.

Mr. FRIST. Mr. President, first, I very much appreciate our colleagues talking on two very important issues this morning in morning business. In a very productive way, it highlights the issues that we will continue to debate and discuss over the next several days.

As I mentioned earlier this morning, the plans are to address the issues of the Energy bill, as well as the Medicare bill, as well as the appropriations bills, over the next several days and bring them to the floor as soon as possible, as soon as they are ready, so we can proceed with this debate in an orderly fashion.

As I mentioned earlier this morning, the plans will be to work through this week and through the weekend and, hopefully, that will be it. Possibly, we might go into the early part of next week.

ENERGY POLICY ACT OF 2003— CONFERENCE REPORT

Mr. FRIST. Mr. President, at this point, I move to proceed to the conference report to accompany H.R. 6, the Energy Policy Act.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6), to enhance energy conservation and research and development, to provide for security and diversity in the energy supply for the American people, and for other purposes, having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same, with an amendment, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. The question is on agreeing to the motion. The motion was agreed to.

(The text of the conference report is printed in the proceedings of the House in the RECORD of November 17, 2003.)

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

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

Mr. DOMENICI. Mr. President, I want to first say to the Senate, a little over a year ago the Senate changed committees and I had the luxury of moving from the Budget Committee to the Energy Committee—perhaps not a luxury in everyone's sense but from my standpoint it was, indeed, a great opportunity and a tremendous change for me. I took that opportunity with a great deal of relish and enthusiasm and decided I would do the very best I could to produce an energy policy, broad based, for this country.

The House agreed on that conference report yesterday by an overwhelming vote. That means that one body has looked at that conference report and, with bipartisan support, said this is a good policy for the United States to follow in the future, and it will do good things for our people and for our growth and development.

The United States of America spends annually \$440 billion, roughly—and that is on the low side—on energy. That energy is the underpinning of our economy and is a principal component of our quality of life. For most Americans, the complex system of energy production and distribution is something they take for granted. When they turn on the lights every morning, they give absolutely no thought to the turbines powered by coal, gas, oil, hydro-power, or nuclear power spinning around to produce that electricity. Only during hurricanes or blackouts are they reminded of how complex the system of transmission lines is that brings that power to their homes and to their businesses sometimes across many States.

Americans almost never give a thought to the fact that beyond the complex physical system that produces and generates our energy is a massively complex system of rules and regulations. These rules and regulations govern, one, who pays for power and who pays for the powerplants and transmission lines; two, how the emission from the plants is regulated; three, who can own them; four, how the fuels can be shipped; and five, what costs can be charged and to whom.

Some of my colleagues are critical of this legislation. Who would not expect that to be? This bill is put together by the House and the Senate, each with different ideas about what they think

is the best way to solve our problems, if we can. Clearly, each body has strong feelings about certain issues that they match up when we attempt to move ahead in some positive direction.

Some will get up here in the next couple of days and argue about some of the provisions in this bill. I say right now to the Senate and to the American people, some of the provisions that will be argued I agree with. Some of the provisions I don't agree with; that is, some that people suggest should be changed in this bill. But I remind everyone that we didn't get to this point without giving and taking, without putting and taking back, without arguing one way and then not winning it and having to go the other way. I suggest that everybody in this body knows—and if they don't right now, they will soon—that across this land there are millions of farmers, who farm all kinds of products, who are either up here on the Hill or on the telephones talking about passing this bill because it has a giant provision to convert corn and related products of our country over time to ethanol which will, in turn, be used in our automobiles in lieu of gasoline that comes from crude oil.

We in the Senate, I say to my good friend, were led in those negotiations for ethanol by the distinguished Senator from Iowa, Mr. GRASSLEY. He has been a staunch advocate, along with the minority leader, Senator DASCHLE, for a major American ethanol program. I can tell my colleagues that in negotiating with the House, they weren't as excited about the program, the project, or the size as we were under the leadership of Senator GRASSLEY. So to get what we wanted, we had to ask them what they wanted. They didn't wait around for us to ask. That is sort of a way of saying it. They told us what they needed. In other words, they said: You want that, we want something.

I will tell my colleagues shortly of the numerous provisions they wanted that are in this bill that brought us forth today with the most significant program for farmers and the production of ethanol to take the place of crude oil that we have ever had in this country.

Let me proceed with my original thoughts and then move over to the subject matter which has brought a number of people into a state of opposition to this bill. Let me complete a few thoughts.

The Congressional Budget Office estimates that this bill will cost \$26 billion over 10 years. Some people have much bigger numbers, but what they are talking about in those numbers is not where we have obligated the expenditure of funds. They are authorized. They are to be funded, if ever, later. They are statements of policy, but not statements of policy accompanied by programs that must be paid for.

What I am talking about is \$26 billion that has to do with the taxes that are included in this bill. That averages \$2.6 billion a year. People can talk about