than smaller diameter trees, and therefore, with rare exceptions do not contribute to hazardous fuels overloads. They are also considered to be critical ecological legacies because they are essential to the desired future structure and composition of forests. However, large trees are now often underrepresented components of many forest types. In those forest types, forest health will not be restored without a diversity of age classes and types, including large trees.

Section 102(f) deals with federal agency treatment of large trees in authorized hazardous fuels treatment projects outside of the areas identified under section 102(e) and requires the Forest Service and Bureau of Land management to maximize the retention of large trees, as appropriate for the forest type, to the extent that the trees promote fire-resilient stands. From an ecological standpoint, and in regards to modifying future fire behavior, large trees are the very last ones that should be removed, if at all.

This is an appropriate limitation in that the last trees that need to be removed from an ecological sense, as well as to modify fire behavior, are the large trees. The clear intent of this legislation is to focus primarily on surface fuels such as brush and dead and down woody material and ladder fuels consisting of small diameter trees and saplings.

This direction is very important to me and I intend on remaining vigilant and responsive to concerns where projects veer from this important direction.

This conference report restores balance to healthy forests legislation by authorizing $760 million annually for these projects. This is a $340 million authorized increase over the currently appropriated level of $420 million for hazardous fuel reduction projects. The conference report maintains the requirement that at least 50 percent of funds spent on restorative projects to be spent to safeguard communities which face the greatest risks from fire.

This conference report also includes improved monitoring language that will help Congress track the successes and failures of this legislation. Section 104(g) requires the Secretaries to monitor and assess the results of authorized projects and to report on the progress of projects towards forest health objectives. This evaluation and reporting will help guide the agencies in future hazardous fuels reduction treatments in existing project areas and in other project areas with similar vegetation types.

The Senate intends that treatments authorized under this Act be directed to restoration of fire-adapted ecosystems as well as hazard reduction. The threat of uncharacteristically severe fires and insect and disease outbreaks decreases when the structure and composition of fire-adapted ecosystems are restored to historic conditions. Thus, section 104(g)(4) directs agencies to evaluate, among other things, whether authorized projects result in conditions that are closer to the relevant historical structure, composition and fire regime.

The Senate recognizes that fire ecologists have learned that fire is a landscape process and that treatments are most effective when conducted in accordance with landscape- or watershed-scale analyses. Section 104(g)(4) requires the agencies to evaluate project results in light of any existing landscape—or watershed—scale direction in resource management plans or other applicable guidance or requirements. Managers should also evaluate and use available relevant scientific studies or findings.

Section 104(g) also requires the Secretaries, in areas where significant interest is expressed, to establish a multiparty monitoring and evaluation process in order to assess the environmental and social effects of authorized hazardous fuel reduction projects and projects implemented pursuant to section 404 of this Act. Many forest-dependent communities support multiparty monitoring, which simply means that communities and individuals may participate with the Federal agencies in monitoring the projects. The Managers recognize the importance of multiparty monitoring as a way to rebuild trust between rural communities and the agencies.

In conclusion, we have a lot of work to do. We will have others raise questions about the ramifications of this legislation as it relates to the National Environmental Policy Act and other concerns. We want to get this done and implemented properly. As Chairman CRAIG and I have seen in the subcommittee on forestry, we know, for example, it will be tough to get all the funds that are going to be necessary to do these projects on the ground. Our bipartisan coalition is committed to doing that. Then we can turn our coalition to looking at other areas where we can find common ground and move forward in the natural resources area.

A lot of people never thought we would get to this day. Look at the editorials that have been written, some of the interest groups with respect to this legislation, and some of the attacks made on Members. I recall some of those to which Senator FEINSTEIN was subjected. She showed the courage to make it clear she would hang in there and work to get this legislation enacted.

We had a lot of Members of the Senate on both side of the aisle say they would put the public interests first, they would concentrate on protecting communities. That is what has brought us to this day.

I want to thank the following Senate staff for all their hard work on this important legislation: Lance Kotschwar and West Higginbothom of the Senate Agriculture Committee staff, Frank Gladics and Kira Finkler of the Senate Energy and Natural Resources staff, Calli Daly of Senator CRAIG's staff, John Watts of Senator FEINSTEIN's staff and Sarah Bittleman and Josh Kardon of my own staff. Josh Penry and Doug Crandall, staff from the House Resources Committee, did yeomen's work to get this bill to conference. These folks, and many others, put in countless and numerous evenings and weekends into this bill and they deserve our appreciation for their hard work and dedication.

This legislation will now go to the President's desk for his signature. I look forward to that happening. Just this week it snowed in Oregon—the fire season has passed for another year but it will come again next year as sure as the spring follows the winter. With this bill in place as law I am hopeful that we will be a bit better prepared.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, are we in morning business?

The PRESIDING OFFICER. That is correct.

MEDICARE

Mr. DODD. Mr. President, I will take a few minutes and comment on the upcoming debate on Medicare. Let me begin by expressing my appreciation and my respect for those who have worked on this issue for a great deal of time. I have nothing but the highest admiration for my colleagues, Senator BAUCUS, Senator GRASSLEY, Senator BREAUX, Senator KENNEDY, and others who have spent a great deal of time over the last number of months trying to put together a proposal to provide Americans with a comprehensive prescription drug benefit while not undermining the core program of Medicare which has served millions of Americans so well for the past 38 years. Whatever other views I may have on this proposal, it does not diminish my respect for the efforts they have made to put this bill together. I begin on that note.

Let me state the obvious. I don't know of many other programs that have enjoyed as widespread and as deep and profound a degree of support in our Nation's history as the Medicare Program. I cannot think of another program which has done as much for as many people as Medicare has over the past 38 years. When you look back at the statistics of the poor in America prior to 1965, without exception, the poorest group of Americans were older Americans, our senior citizens. That was, of course, because they had left the labor force and to what extent they had any coverage at all, it was usually lost upon their retirement. As happens when people age, health problems often emerge, people become sicker and require more help. America could only watch as parents and grandparents got sicker and poorer and faced great difficulty making ends meet.

Through a very extensive and elaborate and lengthy debate, our predecessor Congress, both in this body and

in the House of Representatives, under the leadership of Lyndon Baines Johnson, in 1964, giants in this body, crafted the Medicare Program. In fact, President Johnson went to Missouri, to the home of Harry Truman, who had been such a great advocate of universal health care, to sign that historic piece of legislation into law. There have been a lot of other things we have done over the years, such as Title I of elementary and secondary education, that might come close—certainly Social Security—I suspect if we had to pick two programs this Government has fashioned in the 20th century that have meant as much to such a critical part of our society, one would certainly have to identify Social Security and Medicare.

It is with that background that I rise this afternoon to express my deep concern and worry over what we may be doing in the next few hours in a rather hasty manner. That does not mean to suggest that the conferees and others who have worked a long time on this have acted in haste; although I disagree with their product, I respect the amount of time and effort they have put into this. The Presiding Officer and this Senator are the only two Members present at this moment, and our ability to go through this and to understand what is about to happen in the coming days is rather limited.

Sometime tomorrow, Sunday, or Monday, but certainly no later than that, we will be asked to vote up or down on a conference report that does something all Members have wanted to do for years—provide a prescription drug benefit for older Americans under the Medicare program. Knowing, as we all do, that had we been writing the Medicare bill in the year 2003 for the very first time, or several years ago, we would never have considered a Medicare proposal without the inclusion of a prescription drug benefit. But those who wrote the bill in 1964 were not confronted with the terribly high cost of prescribed medicines. At that time, there simply were not that many pharmaceutical products out there, so prescription drugs were not as major a factor as they are today. The idea of providing basic healthcare services was what originally drove Congress to enact the Medicare Program.

Obviously, the world has changed. So the need for a prescription drug benefit today, given the tremendous costs our elderly face every single day across this country, where they literally, without any exception at all, are forced to make choices about whether or not to take the drugs they have been prescribed, to have a meal, or to pare back on their prescriptions so as to spread them out over a longer period of time so they will not have to go back in and pay for the drugs which they cannot afford, in which case they are not getting the full benefit of the prescriptions because they are self-medicating themselves, and in many cases can do far more harm than not taking a drug at all, as any good doctor can tell you—that is the reality today fro millions of our senior citizens.

It is my belief that if we were solely dealing with the prescription drug benefit piece of this package, it would pass 98 to 2, maybe 100 to 0. There is no doubt in my mind that would be the case. If that were the only issue before the Senate, that would clearly be the outcome. Although I would quickly tell you there are parts of this prescription drug benefit that could be drawn far more wisely and far more fairly in many ways, I could not argue over the fact that a $400 billion appropriation over the next 10 years offered a good start.

But also just as quickly I would say to my colleagues, if we were dealing with the portion of this package dealing with the structural reform of Medicare, and they were standing alone just as I suggested a moment ago if the prescription drug benefit package were standing alone, the parts of this package instituting structural changes to Medicare would not get 10 votes. I don't know of many people who would support a Medicare package that had the sections this bill does that would so dramatically alter Medicare. The only reason it is getting any consideration at all is that we have lured people into this on the prescription drug benefit aspects of this conference agreement.

So if you set that aside for a minute and begin to look at the structural side of this, and understand how many years it originally took to put together the Medicare program, what a difference it has made in people's lives—when you consider the tremendous salvation this has been to people—and then recognize the direction in which we are about to go if this conference agreement is adopted—and I suspect it may be—then it will not take long, in my view, when you will find what we saw only a few years ago, with the Congress coming back in to reverse itself in 2006 or shortly thereafter when the provisions of this bill go into place.

The more you look at the structural side of this particular proposal, then the more people are going to be concerned about what they are doing. So I applaud those who have worked on the prescription drug side of this bill. But I have great concerns about what this conference report would do to the foundation of Medicare.

In June of this year, when S. 1 was before this Senate, I based my support for that measure on the belief that it offered a strong, though not complete, first step towards ensuring prescription drug coverage for America's seniors and strengthening the overall structure of the Medicare Program.

This conference report, I say with deep regret, can now be accurately characterized, in my view, as a misguided step down the wrong path. The agreement before us today will lead us down the path towards greater privatization of Medicare, towards a greater burden on our States trying to meet the needs of their own low-income senior citizens, and towards an overall weakening of the Medicare Program.

A very simple way to describe this, as we look at the great success the Medicare program has enjoyed over the past 38 years, is to remember that this is a universal program. This program says to everybody who reaches a certain age, regardless of how healthy you are, or how wealthy you are, or how poor you are, or how sick you are, you can qualify and be a part of this Medicare Program. We are about to do something now that is going to say to those who are wealthier and healthier, you can move off into private plans, in which case the only ones who will be left within traditional Medicare are those who are less wealthy and those who are most sick.

Now, you do not have to have a Ph.D. in mathematics to understand what the outcome will be if this conference report is adopted. If Medicare becomes a program of poor, sicker people because wealthier, healthier people have left, as I believe they will under this bill, then you have just forced either a reduction of benefits or increased costs for those under traditional Medicare—those who can least afford it.

There is no other outcome you can draw from that which we are about to do. That is the eventual outcome. It fundamentally changes and alters the basic concept that was part of the plan passed in 1965—its universality.

The underlying concept of wealthy, healthy people joining with poorer, sicker people—being together—has been the cornerstone of this tremendously successful program. When you begin to pick off those who are wealthier and healthier, for all the obvious reasons, into private plans, the sicker and poorer people will be left with either Medicare benefits getting cut or premium costs going up. That is the sadly predictable outcome of this legislation, Mr. President.

Medicare is first and foremost a program to protect our Nation's seniors from the often insurmountable costs associated with securing quality health care services. Prior to its inception in 1965, as I mentioned, many seniors—the overwhelming majority, in fact—faced abject poverty as a result of skyrocketing health care costs. The creation of the Medicare Program provided a critical safety net for those seniors and allowed them to retain both their access to quality health care, as well as their financial security.

Earlier this year, and prior to the Senate's consideration of the underlying legislation, I had the opportunity to convene a series of forums in my home State of Connecticut on health care issues in an attempt to frame the scope of this debate for them. At those forums, I heard from my constituents on many matters regarding health care. I heard from seniors who literally could not afford to fill prescriptions—and I know my colleagues have heard

the same stories—called for by their doctors. I heard from elderly Medicare beneficiaries forced to choose between purchasing groceries or filling their prescriptions. I heard from seniors who were forced to skip dosages of their medicines in an attempt to stretch their limited supplies of these needed medicines. I heard from Medicare beneficiaries requiring more than 10 prescribed medicines a day unable to afford even half of those prescriptions.

Clearly, what I heard from hundreds of my own constituents is their grave concern over the present lack of a prescription drug benefit under the Medicare Program.

When Medicare was first enacted, few could have envisioned the tremendous costs associated with prescription medicines. However, it is the great need for prescription drug coverage under Medicare that was firmly behind my initial support for S. 1. Sadly, however, the conference report before us simply does not go anywhere near far enough to provide sufficient coverage for prescription medicines for the great majority of Medicare beneficiaries. That said, we cannot turn our backs on what this bill would do for Medicare beneficiaries with severely limited incomes. This bill says, if you make under $13,470, representing 150 percent of the federal poverty level, then you will get real help under this bill. But if you make anything more than $13,470, which is what two-thirds of our seniors citizens do, then you are going to be offered little in the way of help under ths bill. That is why it is my belief the prescription drug benefit aspect of this bill should be greatly strengthened.

But I believe for most seniors that it is terribly unrealistic to suggest that someone making more than $13,470 can somehow manage to afford the cost of their prescription medicines, particularly if they have costs that would push their spending into the bill's gap in coverage, or donut hole, as it is often described. But, nonetheless, that is the direction we are going with this conference agreement.

The emerging bill contains a gap, as I mentioned, of more than $2,800, twice the size, by the way, contained in the Senate-passed legislation. Under this conference agreement, Medicare beneficiaries with costs within this so-called donut hole will be forced to pay for the full cost of their prescribed medicines as well as the monthly premium of an estimated $35—and I stress the word ''estimated''; I will get to that in a minute—and receive absolutely no financial assistance whatsoever.

Only 4 percent of seniors in the country make over $80,000 a year. Two-thirds of seniors make somewhere above $13,470. The idea that somehow people are going to have enough money, as a senior, trying to pay a home mortgage or pay whatever obligations they have, not to mention food and other things, and also be able to pick up as much as $2,800 a year for prescription drugs, is, I think, terribly unrealistic.

This bill would require Medicare to move dangerously toward privatization, which is what I want to get back to, because it is the side of this bill calling for structural change to the Medicare program that causes me the greatest concern and greatest worry, and undermines this incredibly fine program. I can't tell you how disappointed I am in the AARP for endorsing this conference agreement. I truly wish that AARP's affiliates across the country had been heard on this issue before their national leadership decided that they would support this bill and disregard the 38 years of history when it comes to Medicare and the millions of people who have greatly benefitted from its coverage.

As one who has witnessed firsthand the tumult and confusion created by Medicare+Choice organizations entering and then quickly withdrawing from communities in my home State of Connecticut, I can say assuredly to my colleagues here today that this would establish a dangerous precedent that may very well lead to the devolution of the Medicare Program as we know it.

Also of great concern to me is the effect this legislation will have on employers that have already provided their retirees with prescription drug coverage. In my State of Connecticut, more than 225,000 Medicare beneficiaries, fully one-third of my State's senior citizens, receive coverage for their prescribed medicines from their former employers. Under this bill, about 40,000 of those elderly will lose this coverage as a result of employers dropping their prescription drug plans.

I don't know the numbers in every other State, but if 40,000 of my 225,000 beneficiaries presently with prescription drug plans from their former employers are going to be dropped from their prescription drug programs, how many in other States are going to be? Where do the States of other Senators fall in this category?

I additionally have another 74,000 people in my State—and I represent a small State with a little more than 3.5 million people—who qualify for both Medicare and Medicaid. These beneficiaries—and there are 6.4 million of them across the country that are eligible for both Medicare and Medicaid—will face increased prescription drug costs under the underlying bill. There will be a significant cost increase for those people who fall within both Medicare and Medicaid if this conference report is adopted. So even before we start talking about what will happen in the year 2010 and down the road under this bill, Mr. President, we are going to witness significant numbers of people lose their present coverage or be forced to withstand both higher costs and diminished benefits.

Also very troubling to this Senator in the underlying conference agreement is its unqualified support for private for-profit insurers at the expense of traditional fee-for-service programs. Particularly disturbing are the provisions securing $12 billion to be solely reserved for these private insurers in order to entice them to enter the Medicare market. Twelve billion dollars is going to the private companies, just so they can compete against the traditional Medicare program. They are calling this competition. Back in the Roman Empire, they had a competition like that. You would go to the forum and on one side were the lions. Under this bill is a similar situation, private insurers will get $12 billion to compete, but Medicare will not get anything. Under this bill, we are going to cap Medicare spending and then say: Go out and compete against enriched private plans.

I was born at night, Mr. President, but not last night. I know and most other people know, without a great deal more knowledge about this, that if you provide $12 billion, as this bill does, to private companies to go out and compete against a company that doesn't get that kind of help, do you know who is going to win that competition? I wonder. I wonder what the outcome will be there. Yet that is what this bill does. Twelve billion dollars reserved for private insurers in order to entice them to enter the Medicare market. The inclusion of this provision truly represents a solution in need of a problem, Mr. President. Traditional Medicare already serves 89 percent of all Medicare beneficiaries and the addition of $12 billion to entice private plan participation is wholly unwarranted and unnecessary.

In fact, this bill will also prohibit the Medicare program from going out and forming a consortium to drive down the cost of prescription drugs. Under this bill, you are violating the law if you go out and do that. While we are going to provide $12 billion instead to others to allow them to compete with Medicare, we will not allow Medicare itself to go out and lobby or negotiate to lower the costs of prescription medicines. The traditional Medicare Program is a proven success and would be better served if this valuable funding of $12 billion were directed toward further strengthening its foundation.

Lastly, the conference agreement before us today establishes the dangerous precedent of instituting so-called cost containment measures that could directly lead to severe cuts in what Medicare covers and just as severe increases in the costs Medicare beneficiaries will be forced to bear. Very specifically, the conference report calls on the Congress and the administration to address Medicare's costs when general revenue spending on Medicare reaches 45 percent of the program's total cost.

Can anyone cite for me any other Federal agency where that kind of provision has been imposed? There is not one—not one. Yet this bill goes out and places this kind of a restraint on Medicare, and on no other part of our Government do we do it, only on Medicare.

It is my belief that the adoption of this purely arbitrary cap, which you will find nowhere else, will lead to almost certain erosion of critical programs, scope of coverage, and affordability.

Today, nearly 40 years after Medicare's inception, we find ourselves at a crossroads. I can truly say that I am somewhat stunned that we are about to make a decision on a program that has worked so well for so long within a matter of hours here, without any of us fully understanding—at least most don't seem to understand—the implications of what we are about to do. How could you take a program that has worked so well for so many people and, in the waning days of a session, with just a few hours remaining, get up and ask the Congress to do what we are about to do here? I don't understand how we could allow this to happen. We are on the cusp of fundamentally altering a program that has worked so well for this nation's elderly and most frail citizens.

Again, Mr. President, we find ourselves at a crossroads. The opportunity is before us to move Medicare toward the future without threatening its proven availability to provide for the health and well-being of our Nation's senior citizens. Sadly, however, this conference agreement before us represents an opportunity lost, an opportunity not only to add comprehensive coverage for prescribed medicines under the Medicare Program, which would have been a great success story, but also an opportunity to strengthen the Medicare Program for future generations.

So it is with great sadness that I find myself, only months after originally supporting the underlying legislation when it was first considered by the Senate earlier this year, now having to oppose this conference agreement in its current form. Under the guise of providing needed prescription drug coverage under the Medicare Program, this conference agreement falls far short of addressing this need for the great majority of our Nation's nearly 41 million Medicare beneficiaries.

Forty-one million Americans take note. Over the weekend, in the next 72 hours, a program that has served you for 40 years, serving more than 40 million people presently, is going to be fundamentally altered unless this body, and only this body, stands up and says: Stop. Go back. Let's rethink this before we go out and make the kind of changes that are being proposed in this legislation.

While there have been numerous articles and commentaries written about this plan over the last number of days, people trying to attract attention, numerous editorial comments that I have found tremendously compelling, I come back to the basic point that this is dangerous policy. I put my colleagues on notice; I tell you this will happen.

In the Senate passed bill, which, again, I supported, in order to receive prescription drug coverage, there had to be two drug-only providers available. However, this conference agreement calls for only one of these plans and an HMO. This is a fundamental change. Let me describe what this can mean in the clearest terms I have seen written about this.

Under the conference report, we have now learned that the Medicare guaranteed fallback is only triggered if a senior does not have a choice of two private plans, one of which can be an HMO. Again, that was not in the Senate bill and it is in the conference report before us.

In order to receive prescription drug coverage under this bill you have two choices: One, you can choose traditional Medicare and receive no prescription drug coverage. Two, you can choose to keep traditional Medicare and purchase a drug-only plan. The problem is that there is no limit on the monthly premiums these drug-only plans can charge. When you hear about the $35 cost of premiums for these plans, you must remember that this is only an estimate. If there is only one provider of the drug-only plan in your area—and that is all there has to be under this bill the monthly premium could be $100 or more. Nothing in this bill caps what the premium should be on a monthly basis for the drug coverage. That is what the offer is under this bill.

In other words, it will be permissible for only one insurer to offer the new Medicare drug benefit and charge whatever premium they desire, as long as there is also an HMO option in the area. This type of arrangement strategically avoids the protection of a traditional Medicare fallback benefit from being made available to seniors. As a result, seniors in these regions, many of which will be rural areas, will be financially forced into HMOs just to obtain an affordable drug benefit. In the meantime, they will lose their choice of doctors.

Does this sound familiar? Earlier this year, President Bush and his administration made clear that he wanted to reform Medicare by providing a prescription drug benefit, but only to those seniors who were willing to go into a private insurance plan and HMOs. This compromise has been designed to help achieve that goal.

So that it is further understood, it is important to note that the Senate required that there be at least two private stand-alone options for Medicare beneficiaries. This would have ensured that there would at least be competition for premiums for the new stand-alone drug benefit. Some have argued that the competition between the drug-only plan and an HMO or PPO will force down the premium of the drug-only plan. The fact is, drug-only plans cannot compete on an even playing field with PPOs or HMOs. This is because HMOs and PPOs are provided additional subsidies under this bill and, by definition, offer a wide variety of services that give these plans a competitive advantage over the stand-alone drug plans. Any losses on the drug side can be offset by gains on the medical side, in a sense.

This is yet another example of how all financial incentives are designed to advantage the private HMOs and PPOs over traditional Medicare. People need to understand the fundamental changes in this bill that will greatly alter the very structure of the Medicare program.

I have taken a lot of time this afternoon, Mr. President, and I apologize to my colleagues. But I feel very strongly about this critically important issue. Last week in this body we had a filibuster that went on for 4 days because people were upset over the nomination of 4 judges. I contend that perhaps there ought to be a filibuster on this legislation as nearly 41 million Medicare beneficiaries are going to be adversely affected if this legislation is adopted by this body.

Here we are toady, Mr. President, down to the waning few hours of the session, and we are about to consider fundamentally altering and setting back Medicare for years to come. When the roll is called on this, I will vote no. I will seek other options between now and then to see if there is a way to delay consideration of this until we have more time to examine more fully the implications of this bill. Under the guise of providing needed prescription drug coverage under Medicare, the conference agreement before us today offers far too little coverage for the great majority of Medicare beneficiaries, while at the same time institutes structural reforms to the underlying Medicare program that will significantly weaken its ability to provide for the health and well being of our nation's senior citizens. It should be soundly rejected. I thank my colleagues and I yield the floor.

The PRESIDING OFFICER (Mrs. DOLE). The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I didn't interrupt the Senator from Connecticut, so I hope my colleagues will let me give my remarks in rebuttal unhindered by any other obstacles.

It is about time that we pass a prescription drug bill for Medicare. It is about time that we strengthen and improve Medicare, as we have been telling the voters for three elections.

In the 2000 election, it was an issue. It was an issue on the floor of the Senate last summer. It didn't pass last summer because the other party in this body wanted an issue for the election coming up last fall. The leader of the other party took it away from his own chairman of the committee, so there could not be a bipartisan bill put together.

In the Senate, nothing gets done that is not done in a bipartisan way. Maybe a lot of people don't like that about the Senate, but it has been that way for 214 years, and our country has functioned well. This is the only body in our political system where minority interests

are protected. We are going to have broad, bipartisan support for this bill, and we are going to pass it because when Republicans won the last election, we won it because there were a lot of things buried in this body by the leadership of the other party because they wanted issues for that election and because they thought they would increase their strength in this body and get more of what they wanted this year than last year.

But they miscalculated. The people of this country put the Republicans in charge of this body. But they didn't put the Republicans in charge of this body to do things just in a partisan way because we in the majority party know that nothing gets done here that doesn't have some bipartisanship with it.

As chairman of the committee of jurisdiction over Medicare, taxes, international trade, and a lot of other social programs, I have the privilege of having a good working relationship with the former chairman of this committee, now the ranking Democrat, Senator BAUCUS. We started out on Medicare prescription drugs, like we did on some other issues this year, to put together a bipartisan approach so that we could deliver on the promises of the last several elections—not just the last election, but the last several elections. Both political parties have been saying that we are going to strengthen and improve Medicare, and one of those strengthenings and improvements is going to be a universal and comprehensive and voluntary prescription drug program.

We are about to deliver on it, and people on the other side don't like it because they had an opportunity and they lost that opportunity because they wanted to do something in a partisan way. Previous speakers on the other side have raised this point about the AARP backing this plan. They are saying they are caving in to political pressure.

It seems as though, as far as the other side is concerned, the only time the AARP is political, in the eyes of the Democratic Party, is when AARP agrees with the Republican Party.

Senator BAUCUS and I have been working together, and we will bring to the Senate, after the House passes it tonight, a bipartisan, bicameral compromise out of conference, which will deliver on the promises of the last three elections. We are even going to deliver on the promise of the Democratic Party, where they were going to provide prescription drugs for seniors. The only thing I can think is that they regret it. They had an opportunity a year ago, when they were in the majority and when our President wanted to work with them, to do it, and they didn't take advantage of it.

I want to speak about this product that we have before us. It was just yesterday, after 4 months of conferencing, that the conferees agreed to a bipartisan breakthrough on a conference report that will make comprehensive prescription drug coverage a reality for our 40 million Medicare beneficiaries, both seniors and disabled. After 4 months of hard work, the conferees approved a sweeping package of new prescription drug benefits and other program improvements that makes good on our commitment to our seniors.

I am urging all my colleagues to support it. Since 1965, seniors have had health insurance without prescription drugs. By reaching agreement yesterday, the conferees came one step closer to changing that. The Senate can make history by improving this compromise report.

This important breakthrough came because of the tireless work of our committee members, both Democrats and Republicans, over the last 5 years. Senators FRIST and BREAUX led the way on prescription drugs before any of us were listening. Senators SNOWE, HATCH, and JEFFORDS, along with Senator BREAUX and this Senator, carried the torch as members of the Finance Committee, but also because we wanted to do things in a bipartisan way. We even called that a ''tripartisan way'' because Senator JEFFORDS lists himself not as a Republican or Democrat but as an Independent. That is an effort we have exceeded in the bill, but it was an effort that somewhat blazed the trail to where we are today, and I am glad to have been a part of it.

Finally, this breakthrough came because of the President's unyielding commitment to getting something done for seniors once and for all. Last December 10, I had an opportunity to meet with the President, as he knew I was going to be the new chairman of the Senate Finance Committee after the Republicans had won control of the Senate. We, in fact, had that meeting, anticipating all this time we had to work to get ready, a long time before Congress even convened. At that meeting, the President said two things that I remember. I did not take notes, but I remember very well that he was willing to commit political capital to this effort and that he was willing to put money in his budget for that effort.

The President delivered on both of those statements because his budget put $400 billion in over 10 years for this bill. That is exactly what we in the Senate wanted. We approved that last March. By June, the Senate Finance Committee had reported out a strong bipartisan bill by a vote of 15 to 6, building upon the agreement with the President and the agreement of the Senate for $400 billion for the budget.

The Senate, as you know, passed S. 1 on strong bipartisan grounds in June. The other body passed a similar bill, H.R. 1, that same night. I believe the committee report is measurably better than either S. 1 or the House bill, H.R. 1. It contains improvements, refinements, and changes that are better for seniors and better for the doctors and the hospitals that serve them.

We have come a very long way in getting to this point, and I am proud of where we have ended up. I will do everything I can to ensure successful passage of this conference report over the next few days.

Of course, the conference report can't and won't be all things to all people. Like any compromise, no one is left perfectly happy. That probably means that the conference committee came out just about at the right place. I urge all my colleagues to go beyond the perfect and to focus on the good that the conference agreement accomplishes.

The greatest good at the heart of this conference report is a comprehensive prescription drug benefit that will give immediate assistance starting next year and continuing as a permanent part of Medicare to every senior. Not only is it comprehensive, it is universal, and if nobody wants to participate in it, they don't have to. It is voluntary as well.

The conference report provides affordable comprehensive prescription drug coverage on a voluntary basis to every senior in America. The coverage is stable, it is predictable, and it is secure. Most importantly, the value of the coverage does not vary based on where you live and whether you have decided to join a private health plan. For Iowans and others in rural America who have been left behind by most Medicare private health plans, this is an important accomplishment that I insisted on way back as early as January of this year. I haven't budged on that commitment and that protection is in this conference agreement.

Overall, the conference agreement relies on the best of the private sector to deliver drug coverage, supported by the best of the public sector to secure consumer protection and important patient rights. This combination of public and private resources is what stabilizes the benefit and helps keep costs down.

Keeping costs down is essential not just for seniors but for the program as a whole. Throughout this bill, we have targeted our resources very carefully, giving additional help to the poorest of our seniors. Consistent with the policy of targeted policymaking, we have worked hard to keep existing sources of prescription drug coverage, such as employer-sponsored benefits, and to do it in a viable way.

This conference agreement goes great distances to keep employers in the game providing drug coverage, as they do now, to their retirees under those plans that were promised to people after retiring from their employment.

We all worried very much when we passed this bill in June that, as CBO scored our Senate bill, it might cause 37 percent of the corporations to drop their employees on the Government plan. The House bill had a 32-percent drop rate, according to the Congressional Budget Office. As a result of the conference activity and what we have done to shore up existing retiree plans, that percentage is now much less than

20 percent due to the substantial investment made by conferees to ensure that employers can continue offering the good coverage they have for a long period of time.

The conference report includes additional subsidies. It also includes regulatory flexibility that will do much more to help, rather than threaten, employer-sponsored coverage for those who currently receive it.

Still, we all must acknowledge that decisions about scaling back coverage or dropping it altogether are bound to be made regardless of whether we pass this conference report. But I am confident that the balanced policies before us are a very good deal for employers and their retirees.

I want to make it very clear to people listening who might be worrying about corporation retirees losing their health coverage because of something we are doing here, we are doing our darndest to supplement these plans and to give regulatory flexibility so these plans are not dropped. But Congress cannot pass a law that says corporation X, Y, or Z, some day, if they decide they want to dump them, might be dumped. That could be happening in some corporation in America today. This law is not even on the books. That happened in my State earlier this year and last year and the year before, not because Congress was talking but just because that was the policy of that corporation. It is something they felt they couldn't afford any longer, and they did it.

That could happen even after we pass this legislation, but where would we be if we didn't pass this legislation? The 35 percent of the seniors today who have no coverage whatsoever, and probably never have had it in retirement, will still not have drug coverage. Also, the corporations that dump their plans might not have anything either. By passing this legislation, even considering all the resources—about 20 percent of this legislation contains resources for these corporations to keep their plans—if they would drop them, at least these people have something on which to fall back.

I would think that is a better situation than the uncertainty of, Is my corporation going to dump me or are they not going to dump me?

If they are dumped, then they have zilch, unless they want to buy an expensive Medigap policy or something like that. So we are trying to have a safety net for all seniors, and we are trying to do it in a way that is very helpful. So I want to make that very clear. We cannot force corporations—never could and never will be able to—to say they have to provide health care coverage and prescription drug coverage for their retirees. But we do have a plan that is very good for people who do not have prescription drugs or people who might have prescription drugs today but tomorrow might not have it. This is a safety net and a darn good safety net.

Beyond just prescription drugs, the conference report is a milestone accomplishment for improving traditional Medicare, especially in rural America. The conference report includes the best rural improvement in the Medicare equity package that Congress has ever passed. The rural health care safety net is coming apart in rural areas. It is difficult to recruit doctors to rural areas because of low reimbursement. The conference report begins to mend that safety net.

As many in this Chamber know, hospitals, home health agencies, and ambulance companies in rural America lose money on every Medicare patient they see. Rural physicians are penalized by bureaucratic formulas that reduce payments below those of their urban counterparts for the same service. The conference report takes historic steps toward correcting geographic disparities that penalize rural health care providers. Providers in rural States such as Iowa practice some of the lowest cost, highest quality medicine in America. This is widely understood by researchers, academics, and citizens of those States, but not by Medicare.

Medicare instead rewards providers in high-cost, inefficient States with bigger payments that have the perverse effect of incentivizing overutilization of services and poor quality. This is very noted in my State.

The Des Moines Register has been very clear in informing the people of my State that Iowa is 50th in reimbursement in Medicare on a per beneficiary basis over a year, 50th of the 50 States, but yet under indices we are fifth or sixth in quality of care.

Over at the other end, there is Louisiana, No. 1 in reimbursement, about $7,000 per beneficiary per year compared to about $3,400 for Iowa, the lowest of the 50 States. More money to be spent on Medicare for seniors' medical care does not guarantee quality of care because Louisiana is listed 50th in quality of care. So we want to make sure that where one is getting high-quality delivery of health care, there is reimbursement that takes that into consideration. So the conference report begins to reverse that trend.

It also includes long overdue pilot programs that will test the concept of paying for performance and making bonus payments for high-quality health care. This benefits taxpayers and, most of all, patients.

Beyond prescription drugs and beyond rural health care, the conference report goes at great length to give better benefits and more choices—the right to choose is very basic in this bill—available to our seniors. It specifically authorizes preferred provider organizations—we call them PPOs—to participate in Medicare, something the current law does not fully allow. The idea is that these kinds of lightly managed care plans more closely resemble the kinds of plans that we in the Federal Government have and close to 50 percent of working Americans have. Baby boomers then, when they go into retirement, will be able to compare fee-for-service 1965 model Medicare with these new PPOs. I think they are going to find new PPOs closer to what they had in the workplace than traditional Medicare, but they have the right to choose. We think they ought to have that right, too, because traditional Medicare has not kept up with changes in the practice of medicine like the private health plans employees have in the workplace.

PPOs have the advantage of offering the same benefits of traditional Medicare, including prescription drugs, but they do that on an integrated, coordinated basis. So this creates new opportunities for chronic disease management and access to innovative new therapies. Unlike Medicare+Choice, we set up a regional system where plans will bid in a way that does not allow them to choose the most profitable cities and towns. They cannot do cherry-picking. Systems like this work well for Federal employees such as the postmaster in my hometown of New Hartford, IA. He has a choice of several plans. We want to give that same choice to his parents, who today have only Medicare and nothing else.

Are PPOs right for everyone? It is the right to choose that is important about this bill. Let the seniors decide. Our bill sets up a playing field for PPOs to compete for beneficiaries. We believe PPOs can be competitive and offer a stronger, more enhanced benefit than traditional Medicare. But let me be clear, no senior has to choose PPOs. My policy has been to let seniors keep what they have, if they like it, with no change. All seniors, regardless of whether they choose a PPO, can still get prescription drugs. They do not have to choose that, but they can choose that as an add-on to traditional Medicare if they want.

So I hope I have protected all of my colleagues, and maybe my colleagues do not need any protection, insisting on the voluntariness of this and the right to choose. I think it is pretty essential for people who are older, who do not want change in their life, not to have to make a change in their life.

I fear maybe, as the Senator from Iowa, that somebody is going to come up to me someday and say: GRASSLEY, just leave my Medicare alone.

They do not follow Congress closely, but they read here and there and they get nervous: What Senator is taking away their Medicare? I can say to Mary Smith in Columbus Junction, IA: You do not have to worry about anything. If you are satisfied with the Medicare you have, you can keep it. If you want to join a prescription drug program to add to it, you can do that, but you do not have to worry about Medicare. If you like it the way it has been all your life, we are leaving it alone.

I think that sounds like protection for Senator GRASSLEY, but I am concerned about the cynicism my seniors

have about Government, maybe because they do not study it as much as we do or understand it as much as we do. I want to reduce that cynicism, but I want them to have confidence in their Medicare as well. I think this right to choose gives them that confidence.

The conference report also includes other important policies that I believe make a much stronger, better bill. First, we make wealthier people pay a slightly higher premium. Why should someone who makes $80,000 a year or more pay exactly the same price for coverage as someone who makes $30,000 a year? The conference report makes wealthy seniors pay slightly more, and this is a very important and rational step toward stabilizing Medicare's growth.

The conference report also injects new and transparent accountancy rules into Medicare, making the trustees show in a comprehensive way what all of Medicare's assets and liabilities truly are. There are also expedited procedures for committee consideration of legislation that addresses any future Medicare funding crisis without changing the Senate rules.

Finally, and in my view most importantly, the conference agreement authorizes health savings accounts. I have been a long-time supporter of medical savings accounts. Now they are going to be called health savings accounts. Such tax-favored accounts encourage responsible utilization of health care services. They offer low-cost insurance to farmers and other self-employed people. For too long, medical savings accounts have languished under regulatory inflexibility. The provisions in the conference report go to great length to make medical savings accounts a stronger, more accessible option for more Americans, and I think that is very appropriate because it adds to the right to choose.

We are in a unique moment in our history as far as health insurance legislation is concerned. We have a limited opportunity to deliver on our promises to get this done once and for all.

Let me remind everyone, there is $400 billion sitting in front of America's seniors. If we let partisan disagreement prevent us from snatching it up for them, shame on us because, what do you think the chances are next March of this Senate adopting a budget with $400 billion set aside for Medicare? I think the chances of that happening are not very good.

Let's not allow the perfect to be the enemy of the good. I urge my colleagues to continue in the bipartisan tradition of the Finance Committee and deliver a balanced bipartisan product that does right by our seniors.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. DOLE). Without objection, it is so ordered.

VISION 100—CENTURY OF AVIATION REAUTHORIZATION ACT—CONFERENCE REPORT

Ms. COLLINS. Madam President, I ask unanimous consent that the Senate now proceed to the conference report to accompany H.R. 2115, the FAA authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The 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. 2115), to amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, 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 Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 25, 2003.)

Ms. COLLINS. Madam President, I ask that the conference report be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the conference report be printed in the RECORD.

Mr. REID. Reserving the right to object, I would like to extend the appreciation of the entire Senate, especially on this side, to those who worked to allow us to be at this point: Senators LAUTENBERG, DORGAN, and ROCKEFELLER, and the ranking member of the committee, Senator HOLLINGS, and the cooperation of Senator LOTT, and others. This is a very important piece of legislation for the State of Nevada but also for the entire country. I underscore the very good work of the individuals I mentioned.

This is not perfect, but it goes a long way to protecting working men and women who make it possible for everyone to fly safely in America today.

Madam President, I ask unanimous consent that copies of a letter from Marion C. Blakey, the Administrator of the Federal Aviation Administration, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPT. OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, DC., November 21, 2003.

Hon. ERNEST HOLLINGS,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR HOLLINGS: I have received your November 13, 2003 letter regarding the issue of contracting out functions performed by Federal Aviation Administration (FAA) employees. Your letter requested clarification on the status of ''contracting out'' of FAA functions related to flight services and the certification or maintenance of air traffic control equipment used in the national airspace system. I understand that you are not advocating that the FAA in-source any functions currently performed by contractors or cease work and analysis already underway. As you know, several months ago the FAA initiated a competitive sourcing process with respect to the FAA's Automated Flight Service Stations (AFSS). Under the FAA's current schedule, the final source selection decision with respect to the AFSS competition will occur early in fiscal year 2005.

During this fiscal year we have no plans to initiate additional competitive sourcing studies, nor will we displace FAA employees by entering into binding contracts to convert to private entities any existing FAA position directly related to our air traffic control system.

I look forward to working with the Committee on the important challenges facing the Federal Aviation Administration. The Conference Report contains many provisions which will provide us with important tools to enhance aviation safety, security, and capacity. Thank you for your efforts on this important piece of legislation.

Sincerely,

MARION C. BLAKEY,
Administrator.

DEPT. OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, DC, November 21, 2003.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science and Transportation, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I have received your November 13, 2003 letter regarding the issue of contracting out functions performed by Federal Aviation Administration (FAA) employees. Your letter requested clarification on the status of ''contracting out'' of FAA functions related to flight services and the certification or maintenance of air traffic control equipment used in the national airspace system. I understand that you are not advocating that the FAA in-source any functions currently performed by contractors or cease work and analysis already underway. As you know, several months ago the FAA initiated a competitive sourcing process with respect to the FAA's Automated Flight Service Stations (AFSS). Under the FAA's current schedule, the final source selection decision with respect to the AFSS competition will occur early in fiscal year 2005.

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I look forward to working with the Committee on the important challenges facing the Federal Aviation Administration. The Conference Report contains many provisions which will provide us with important tools to enhance aviation safety, security, and capacity. Thank you for our efforts on this important piece of legislation.

Sincerely,

MARION C. BLAKEY,
Administrator.

Mr. MCCAIN. Mr. President, I am pleased that the Senate is about to vote on the Conference Report to H.R. 2115, the FAA reauthorization bill. This legislation is critical to our Nation's air transportation system, providing necessary funding for aviation safety and security for fiscal years 2004 to 2007.