$2,250 under the Bush plan. In contrast, drug companies receive about $25 per person, per year from any number of the over 40 million current Medicare beneficiaries. Drug cards are marketed by private companies, and herein lies the true motivation to promote them.

Not only do the cards provide a financial windfall for private companies, but they fail to offer meaningful assistance to Medicare beneficiaries. Even with the card, there is no guarantee that needed prescription drugs would be covered. Likely, drugs would have to be on a pre-approved list to be covered.

Third, a $600 subsidy for Medicare recipients who are living at the poverty level is simply inadequate. Low-income elderly and disabled persons do not have the resources to purchase their medicine. Too often, they are forced to skip taking their necessary prescription because they can't afford it. President Bush's plan would offer the poorest Medicare beneficiaries a way to get $600 more worth of medicine, but unless they are eligible for Medicaid, they are still left to pay the rest of their costs on their own.

Catastrophic coverage, discount cards, and a possible subsidy constitute the extent of the President's plan unless beneficiaries move out of the traditional Medicare program and into a private plan, such as a PPO or HMO. Currently 89 percent of Medicare's beneficiaries are enrolled in the traditional fee-for-service program where they can choose their physician. President Bush is effectively pushing them out of that program and into a private plan, where they would supposedly receive an actual drug benefit. However, the details of the actual drug benefit—the premium level, cost-sharing requirements, and value of the benefit itself—are not delineated in the President's proposal. The lack of detail present throughout the proposal is extremely disconcerting.

Medicare+Choice is a haunting reminder of how private plans under Medicare can leave beneficiaries without choice, benefits, and providers. The plans not only lowered benefits and raised cost-sharing, but in many places pulled out of the market altogether. The drug benefit that Medicare+Choice initially offered has since largely dissipated. In 1999, only 11 percent of Medicare+Choice enrollees had a drug cap of $500 or less, meaning that plan would only cover up to $500 of drug costs. By 2002, that percentage exploded, leaving 50 percent of enrollees with a drug cap of less than $500. Since 1999, 2.4 million beneficiaries have been dropped from the Medicare+Choice program completely. In over 30 years, the Medicare program has never dropped a beneficiary from coverage.

The Administration wants to use the drug benefit as a carrot to lure beneficiaries into private plans. This forces elderly and disabled populations to choose between doctors they know and trust and the medications they know they need. We are not fooled by what the administration is doing. They have no intention of offering a drug benefit to Medicare recipients. The reason why President Bush is pushing this approach is because he is attempting to privatize the entire Medicare program.

It is imperative that we critically examine the risks involved in pushing beneficiaries into private plans, even though the list of concerns is long and daunting. Private insurance plans are inherently risky and unstable. Covered benefits would vary from plan to plan, from state to state, from one year to the next—leaving millions of beneficiaries with unstable coverage, if any at all. Private insurance plans are not available in every city or state, can drop coverage at any time, occasionally go bankrupt, and can be taken over by other HMOs that later change the rules. Under Medicare, the same basic package is available everywhere.

In addition to reducing benefits, private plans could raise premiums, increase copayments, restrict formularies, and limit choice of doctors or pharmacies in order to offset costs. Between 2001 and 2002, average monthly premiums increased 40 percent for Medicare+Choice enrollees. Enrollees in these plans have also been subjected to rising copayments for both generic and prescription drugs. Private plans can restrict formularies thereby dictating and restricting covered drugs. In fact, some private plans have completely eliminated coverage of brand-name prescription drugs. This is especially troubling, considering that of the 50 drugs the elderly most commonly use, 40 are brandname drugs, and only eight of these are available in a generic version. Private plans restrict beneficiaries to those doctors or pharmacies included in a particular plan. Even though the elderly and persons with disabilities often choose their physicians or their pharmacies based on nearness and accessibility, private plans would not take this into account.

I am not willing to compromise the health and well-being of senior citizens and people with disabilities so that private companies can get rich. Medicare beneficiaries deserve a real and substantive drug benefit regardless of the Medicare plan they are enrolled in. For those reasons, I support the House Democratic prescription drug proposal, the Medicare Rx Drug benefit and Discount Act of 2003.

The House Democratic proposal adds a new Part D in Medicare that provides voluntary prescription drug coverage for all Medicare beneficiaries beginning in 2006. Those wanting the benefit would pay a $25 monthly premium and a $100 deductible for drug coverage. Medicare would pay 80 percent of drug costs, 100 percent after beneficiaries spent $2000 out of their own pockets on prescriptions. Full coverage of premiums and assistance would be provided for persons with incomes below 150 percent of poverty and sliding scale premiums would be in effect for those persons between 150 percent and 175 percent of the poverty level.

Under the Democratic proposal, strong measures will be implemented to keep drug-prices down. First, the Secretary of Health and Human Services (HHS) would use the collective bargaining clout of more than 40 million Medicare beneficiaries to negotiate fair drug prices. Second, drug companies will be prevented from extending patents that allow them to use their monopoly power to block competition and keep prices artificially high.

The Medicare Rx Drug Benefit and Discount Act of 2003 offers a real benefit to Medicare beneficiaries as opposed to drug companies. Bush's proposal is served up as a gift to drug and insurance companies that have financed Republican elections and agendas. If the President has his way, insurance and drug companies will profit, but millions of Medicare beneficiaries will still lack affordable, comprehensive coverage.

## FORMER INSURANCE AGENTS TAX EQUITY ACT OF 2003

### HON. PAUL RYAN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 2003*

Mr. RYAN of Wisconsin. Mr. Speaker, I come to the floor today with my colleagues Congressman JERRY WELLER, Congressman JERRY KLECZKA, Congressman TOM PETRI, Congressman MARK GREEN, and Congresswoman TAMMY BALDWIN, to introduce the Former Insurance Agents Tax Equity Act of 2003, a bill designed to correct a minor oversight in the Taxpayer Relief Act of 1997. This legislation will help ensure that certain retired insurance agents are not unfairly subjected to self-employment tax. It will bring consistency and fairness to the tax treatment of similarly situated former insurance agents.

Under current law, a small number of agents are forced to pay self-employment taxes on their retirement payments, while their peers at other insurance companies do not. This is because a change in the Taxpayers Relief Act of 1997 (TRA) was drafted in a way that unintentionally excluded a small group of agents.

In the TRA, Congress enacted a provision designed to clarify that certain termination payments received by valued, long-term former insurance agents should be exempt from self-employment tax. Unfortunately, the changes in 1997 provided clarification for most agents, but not others, as a result of how certain insurance companies structure their agent agreements.

As enacted, the 1997 provision provides that payments to a retired agent are exempt from self-employment tax when the agent's eligibility is tied to length of service, but not when the actual amounts of the payments are tied to the agent's length of service. Simply put, this is a distinction without a difference. There is no reason to provide different tax treatment for arrangements that are so similar just because the sum of an agent's termination payment is determined by varying the amount of compensation rather than the term of compensation.

Hard-working agents whose payments are tied to their length of service deserve the same fair treatment accorded to their counterparts at other insurance companies. Both types of contract seek to satisfy the same goal of rewarding loyal, long-time agents with more generous retirement payments. All of these payments, of course, continue to be subjected to income taxes.

The Former Insurance Agents Tax Equity Act of 2003 would simply strike language in the Internal Revenue Code that prevents companies from using a former agent's length of service in determining the amount of termination payment the agent will receive. In doing so, this bill fulfills Congress' intentions with the TRA and provides equitable tax treatment for all former agents. In addition, the budget implications are minor since only a very small number of agents are affected. This provision enjoys the support of thousands of insurance agents around the country, as well as the National Association of Life Underwriters, the Coalition of Exclusive Agents, and the National Association of Independent Insurers.

In the interest of ensuring that termination payments to former insurance agents are

treated fairly and consistently under our tax laws, I hope that you will join me in supporting the Former Insurance Agents Tax Equity Act of 2003.

## HONORING GLENN RANDALL

### HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 2003*

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to rise today and recognize Glenn Randall, an outstanding young cross-country skier from Collbran, Colorado. Despite unlikely odds, Glenn won the right to compete in the Junior World Championships in February. His dedication to the sport, and his determination, is truly a credit to this young athlete.

Glenn developed asthma at the age of three, but set his mind on racing with an inhaler. After competing in five- and ten-kilometer races, Glenn decided to enter the 30K United States Cross Country Championships. His parents, both avid cross-country skiers themselves, wondered whether their son could handle the exertion.

Glenn, who is sixteen and a high school sophomore, placed twenty-first overall and second among juniors, earning him a place on the American team for the World Championships and making him the youngest member of the U.S. team. Unlike many elite skiers, Glenn still attends a public school, squeezing in training around school hours, while also participating in high school cross-country and track.

Mr. Speaker, it is a great privilege to recognize Glenn Randall for his dedication and hard work before this body of Congress and this nation. The determination of this young man to exceed all expectations and overcome all obstacles is an inspiration to his peers as well as his elders. Glenn, who has achieved so much at a young age, has great things ahead of him, and it is my distinct pleasure to wish him the best of luck.

## PNTR TO RUSSIA

### HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 2003*

Mr. LEVIN. Mr. Speaker, today Mr. RANGEL, Mr. PITTS, Mr. CARDIN and myself introduced a bill that would grant permanent normal trade relations (PNTR) to Russia and ''graduate'' Russia from the application of the so-called Jackson-Vanik amendment. The legislation would provide a historic update in U.S.-Russia trade relations. It would strengthen U.S.-Russian relations and reinforce progress Russia has made in many areas. Additionally, the legislation would ensure that Congress continues to play an active role—with the Administration and with Russia—in confronting trade disputes and negotiating the terms of Russia's WTO accession.

It is useful to recall at the outset that the Jackson-Vanik amendment was itself an amendment to Title IV of the Trade Act of 1974, a trade statute. In particular, Title IV created a framework for conducting trade relations with non-market economies. The Jackson-Vanik amendment, which has been an effective tool for raising freedom of emigration and human rights concerns, is a key element of Title IV; however, the underlying purpose and function of the statute were and remain the conduct of trade relations.

Accordingly, PNTR legislation must address fundamental trade issues. Consistent congressional practice is to grant PNTR to a country that is subject to Jackson-Vanik only at the time of the country's WTO accession, or when negotiations on accession were effectively completed. In this way, Congress' vote on PNTR has served as a way to signal approval for the country's WTO accession agreement. Under this approach, Congress was able to exercise its constitutional prerogative to regulate commerce with foreign nations, and the American people benefitted from the Administration negotiating the strongest possible agreement.

This precedent has led to an important series of successful accessions to the WTO, including most notably for China, on terms that reinforced the WTO rules-based system, and brought great benefits to the people of the United States as well as other WTO countries.

In the case of Russia, WTO accession terms are still being negotiated. I believe it is appropriate to depart from that precedent and grant Russia PNTR now, so long as Congress retains a strong and effective tool to ensure that U.S. interests are fully addressed in those negotiations. And, there are many critical issues that still need to be addressed—Russian commitments to open its auto market, commitments in the services and other sectors, ongoing problems with pricing in the industrial energy sector, intellectual property protection, to name just a few. Moreover, several recent actions by Russia—including last year's poultry ban and potential new restrictions on beef and pork—have renewed concerns in Congress about Russia's commitment to opening its market to U.S. exports and service providers and to adopting market-oriented reforms.

This legislation ensures that Congress will continue to play an active role in addressing trade problems as they emerge and in obtaining a strong WTO accession agreement from Russia. While giving up the precedent of using the PNTR vote as a proxy for approval of WTO accession, the legislation allows Congress to consider a resolution directly addressing the terms of agreement between the U.S. and Russia on Russia's WTO accession. While in its form, this resolution would be nonbinding on the Executive, it would provide Congress with an important tool to assure itself of a continuing role in the formation of the terms of Russia's WTO accession and thereby implement Congress' constitutional responsibility of oversight over trade matters.

There are two sides to the PNTR coin—the trade issues and the ''Jackson-Vanik'' issues. The Jackson-Vanik amendment was an historic piece of legislation, aimed at addressing a serious problem in the former Soviet Union. It set forth important criteria related to freedom of emigration necessary for certain countries to obtain normal trade relations with the United States. Even from its inception, however, the Jackson-Vanik amendment was not only concerned with freedom of emigration, but also reflected the American commitment to human rights and freedom of religion. This fact is evident not only in the preamble of the Jackson-Vanik amendment, but also in the operation of U.S. relations with the former Soviet countries for nearly thirty years.

I think it is appropriate, then, that as we consider graduating Russia from the Jackson-Vanik amendment, that we place a strong emphasis on freedom of emigration, religious freedom, and human rights issues. These were the issues at the core of the Jackson-Vanik amendment, and continue to be relevant when considering ''graduation,'' particularly for Russia, which was and is in many ways the primary focus of the Jackson-Vanik amendment.

I am glad that we were able to craft a bill that addresses these vital issues in a responsible way, rather than giving them ''check-the-box'' cursory treatment. The presence of Members of the Helsinki Commission on the bill, who have a long history of dealing with human rights and religious freedoms, demonstrates that we have given these issues the careful treatment they deserve.

Earlier this week, Senator LUGAR, the distinguished Senator from Indiana and a key participant in consideration of our relations with other nations, introduced a Russia PNTR bill. This bill did not address the issue of assuring a continuing congressional role in the resolution of vital elements of an agreement on Russia's WTO accession. I believe that Congress has a substantial role to play in overseeing negotiations of Russia WTO accession agreement to ensure that it provides the strongest benefits for U.S. workers, farmers and businesses, and therefore we are introducing this legislation today.

## WHAT IF A PENSION SHIFT HIT LAWMAKERS, TOO?

### HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 2003*

Mr. SANDERS. Mr. Speaker, I want to share with you an article which appeared in the March 9th New York Times. It is not acceptable to me that millions of older American workers could lose the pensions they were promised by their companies because of a conversion to a cash balance pension. My experience in working with IBM employees in Vermont has shown me that these cash balance schemes are extremely unfair and could cut the expected retirement benefits of older workers by up to 50 percent.

Every member of Congress enjoys a defined benefit pension plan. We can figure out exactly how much we will receive when we retire by computing the years we have served, our salaries and the age at which we retire. A study I recently requested from the Congressional Research Service, CRS, shows very clearly that if members in Congress were in cash balance plan they would receive substantially less in pensions than in the defined benefit plan we currently enjoy.

President Bush has proposed regulations that would legalize age discrimination in cash balance pension conversion. These proposed regulations would give the green light to Fortune 500 companies to raid the pension benefits of millions of older workers. It seems to me