

to lower prices, I do believe there are things we can do. There are things we can do together. One of those would be to open the opportunity for local pharmacists to bring down prescription drug prices at a huge discount for our seniors. I am hopeful we will bring that up together in the Senate. I believe we can get that done while we are in the process of fixing this Medicare law.

The PRESIDING OFFICER. The Senator from Iowa.

PRESCRIPTION DRUGS

Mr. GRASSLEY. Mr. President, as chairman of the Senate Finance Committee that had jurisdiction over the prescription drug bill for seniors, and as one of those who worked on the final product as a member of the conference committee, as one who is very happy we have this piece of legislation passed, as one, after having 36 town meetings in my State since the first of the year, who has come to the conclusion that seniors are beginning to look at this program and see it as something very beneficial to them, I wish to take a few minutes to respond to the exchange that was recently put on by the Senator from Michigan and the Senator from Illinois—not to address the enlarged picture they just talked about but to address some misconceptions that can come from parts of their statements.

I would start, first, with the issue of the provision in the bill that deals with the Federal Government not negotiating the price of drugs. That was put in there for a very specific purpose. That specific purpose was, we know what the situation is with the Veterans' Administration negotiating drug prices. Yes, prices are lower for drugs because they are doing that, but we have found that the Veterans' Administration will not pay for every particular drug that a doctor might want to prescribe.

I had this brought home to me very clearly in my Des Moines town meeting, where the first question I had was from a constituent who was mad because her doctor prescribed a drug for which the VA was not going to pay. We do not want the Government bureaucrat in the medicine cabinet of the senior citizens of America. We do not want the Government bureaucrat coming between the doctor and the patient. We see that in the VA program.

What we have done in the legislation is to build upon a 40-year practice of the Federal Government, and all health care, but particularly for prescription drugs for Federal employees, through the Federal Employees Health Benefits Plan. We do not pretend to duplicate that plan, but there is some good experience of those plans negotiating with drug companies to bring down the price of drugs. So we do not have to have the Federal Government negotiating drugs. In fact, as I said, we specifically do not want it negotiating it. We do not want the bureaucrat in your medicine cabi-

net because we have plans that have been set up in this bill to negotiate with drug companies to bring down the price of drugs, exactly the same way the plans for the Federal employees bring down the price of drugs. They are very well thought out and a very good practice, but, most importantly, we do not want to duplicate the shortcomings of the Veterans' Administration program.

The second point I would give further explanation to is the exchange that went on belittling the AARP for backing this legislation. I compliment the AARP because we would not have a bill without the AARP backing this legislation, because the AARP had the capability of helping us get a bipartisan coalition. Without them, we would not have had a bipartisan coalition, and you do not get anything done in the Senate that is not done in a bipartisan way.

Now, what is odd about Democrats finding fault with the AARP backing this bipartisan bill is that the year before, in 2002, the AARP was backing Senator KENNEDY's bill. So it seems to me that for Democrats the AARP is OK if they are backing a Democrat bill, but if they want to back a bipartisan bill, it is a sin for the AARP to do such a thing.

The AARP is looking at individual pieces of legislation, looking out for the greater good of their members, and helping get a product as opposed to, presumably, people on the other side of the aisle who want an issue rather than a product. So I think the AARP has done very well. I compliment them for doing that. We would not have a bill without them.

What Democrats have to get over is that the senior citizens of America are not Democrat property. They are individual Americans, and they ought to be seen as individual Americans, and they and their organizations not be denigrated because the Democrats think they have a grip on all seniors of America; they do not. But that is the resentment toward the AARP.

Another issue I want to explain is the impression that we have given the bureaucracy 2 years to institute the permanent program for the reason that we wanted to get way beyond the next election. It was said that maybe the first Medicare Program, in 1965, was implemented in 8 months. I was told it was a little over a year. So, to me, 2 years—38 years later—to do the first major improvement to Medicare in 38 years, to do it right—and it was not the President who decided it would take 2 years, as was indicated. Way back when we were dealing with the tripartisan bill, in the year 2002, I and my staff asked the bureaucracy: We want this done right. How much time should we give you to implement it? These nonpolitical people, being honest with us, said about 2 years. So we gave 2 years for the implementation of it. It had nothing to do with the President of the United States. It had nothing to do

with the upcoming election. It is just our desire that if you are going to implement the first improvement in Medicare in 38 years, you ought to do it right. It was not our judgment of how much time it takes but a nonpolitical judgment of how much time it takes. That is what we were told, and that is what we did.

We do not wait for 2 years for this program to kick in. We have the temporary program that starts June 1, the discount card, and the subsidy for low-income people to get \$600 this year and \$600 next year to help them buy drugs while we are waiting to get the permanent program in place. Congress made that decision to take 2 years, not the President of the United States.

Now, there was also, throughout this discussion we heard, all sorts of insinuations that somehow this is a bill to benefit pharmaceuticals. Well, let me tell you, if the pharmaceutical companies had their way, there would not be any bill. But they knew there was going to be a bill. The drug companies that patent prescription drugs do not want generics out there. A very major provision of this bill to bring down the cost of drugs is that provision that does away with the legal subterfuge by which drug companies extend the life of their patent by making arrangements today with generic companies to keep their drug off the market, and they pay them to do it, so that, effectively, the patent is extended beyond 17 years. We did away with that. The pharmaceutical companies did not want that provision changed but we did that.

Another impression that is misleading has to do with the true cost of this bill. We hear the Congressional Budget Office says it is \$395 billion. Then a month or two later the Center for Medicare Services says it is \$535 billion.

Mr. President, is my time up?

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. GRASSLEY. Would the Senator from Minnesota allow me to have 2 more minutes?

The PRESIDING OFFICER. I think the Senator had 15 minutes in his original request, so he has 5 more minutes.

Mr. GRASSLEY. I thank the Chair.

The bottom line is, we have these accusations about what the true costs are. So I want to respond to those accusations we have heard that the "true costs" of the Medicare bill were somewhat hidden from Congress before the final vote. This is simply political, election year hyperbole. The opponents of the drug benefit are making this claim because the final cost estimate from the CMS Office of the Actuary was not completed before the vote took place.

Let me be very clear. The cost estimate was not withheld from Congress because there wasn't a final cost estimate from CMS to withhold. Their cost estimate wasn't even completed until after December 23, long after the House and Senate vote.

Let me also be clear we did have the official cost estimate on the Medicare bill before the vote, and that is the one from the Congressional Budget Office. As I have said, as both Senators from Minnesota know, the Congressional Budget Office is God when it comes to Congress having to go by a figure of what something costs. It doesn't matter what the Treasury Department says, OMB, or even CMS. The Congressional Budget Office is what we go by. If you don't go by it, you are subject to a point of order. That point of order takes an extraordinary majority to overcome.

No government official should ever be muzzled for providing critical information to Congress. If that happened last year, that was wrong. These accusations about whether information was withheld have raised questions as to whether Congress had access to a valid and thorough cost estimate for the prescription drug bill before the final vote. It should also be made clear that while the cost analysis by the Office of Actuary is perhaps helpful, it is not the cost analysis Congress relies upon but that of the Congressional Budget Office, as I have already said. It is their cost estimate we use to determine whether legislation is within authorized budget limits.

For Congress, if there is a true cost estimate, it is by the Congressional Budget Office. The Congressional Budget Office cost estimate is the only one that matters. When Congress approved a \$400 billion reserve fund to create a Medicare prescription drug benefit, this meant \$400 billion, according to the Congressional Budget Office, not according to the Center for Medicare Services.

With all due respect to the dedicated staff working at the Center for Medicare Services Office of the Actuary, their cost estimates were irrelevant to the process. The Congressional Budget Office worked closely with the conferees to the prescription drug bill and the staff to ensure a full analysis of the projected costs was complete. The conferees and staff regularly and constantly consulted with the CBO throughout the development of the Senate bill and in preparation of the conference agreement. The Congressional Budget Office worked nearly around the clock and on weekends for months to complete an extremely thorough and rigorous cost analysis of the prescription drug bill. That cost estimate, the official cost estimate, was available to every Member of Congress before the measure was presented to the House or Senate for a vote.

It is also pretty disingenuous for the opponents of the Medicare bill—on the other side of the aisle, especially—to suggest the price tag for the Medicare bill causes them concern. The fact is, they supported proposals that cost hundreds of billions more than what we ended up passing last year. The House Democratic proposal last year would have cost nearly \$1 trillion, and the

Senate Democratic proposal in 2002 cost \$200 billion more than the bill that was enacted into law.

Further, there were more than 50 amendments offered on the floor of the Senate during the debate on the Senate bill that would have increased the cost of the bill by tens of billions of dollars.

The bottom line is, there should be no doubt in anyone's mind we had a true cost estimate for the prescription drug bill last year, and everyone had access to it before the vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

ETHANOL PENALTY IN HIGHWAY TRUST FUND FORMULA

Mr. DAYTON. Mr. President, I welcome the opportunity to express, on my behalf and that of my colleague and certainly the people of Minnesota, my gratitude to the Senator from Iowa, chairman of the Finance Committee, our distinguished neighbor to the south, for his phenomenal efforts in changing the ethanol penalty in the highway trust fund formula that will provide enormous benefit in the Senate bill to Minnesota and to his own State of Iowa. I have also been working with my colleague, the Senator from Minnesota, to try to do our best in our small way to support that effort and to be vigilant on the floor with regard to our caucuses. I certainly want to give credit where credit is due to the distinguished chairman of the Finance Committee for using his leadership position, and it is an enormous benefit to the State of Minnesota.

I express my gratitude and the gratitude of all Minnesotans to the Senator from Iowa for his initiative and leadership.

PENSION CONFERENCE REPORT

Mr. DAYTON. Mr. President, I thank my colleague from Minnesota, the Presiding Officer, for a letter I just signed with him to the employees of Northwest Airlines and also the steel companies in northeastern Minnesota on his initiative. This letter indicates both of us support the pension conference report which, fortunately, is going to be voted upon tomorrow in the Senate. I thank the Senator for his initiative on that, his calls imploring me to do what is in the best interest of important companies in Minnesota and the thousands of employees whose pensions depend upon those companies. I concur with my colleague and appreciate his giving me the opportunity to send that joint communication out to the thousands of Minnesotans for whom we will be acting tomorrow, in a bipartisan way, to protect for the future.

IRAQ

Mr. DAYTON. Mr. President, I want to take this opportunity to concur

with the sentiments that have been expressed earlier by a couple of my colleagues regarding the heroism of our Armed Forces in Iraq. However, I also want to point out our proper admiration for their extraordinary patriotism and courage and our sad but necessary condolences to the families of those Americans who are still losing their lives in increasing numbers in Iraq or who are suffering serious life-threatening and lifelong disabling injuries from those battles, those appropriate tributes and condolences and our unanimous bipartisan support in this body for our troops—who continue to risk their lives there and in Afghanistan and Bosnia and Kosovo—should not prevent us from questioning the Bush administration's policies or lack of policies which are exposing those courageous Americans to those continuing attacks and ask what are the administration's plans to respond to the present escalation of attacks in Iraq. What are the administration's plans to bring all of our courageous men and women home with their victory secured?

In fact, we owe it to them, those whose lives are on the line on our behalf, whose families are enduring every day and night the fear it could be their loved one who will be next to give up his or her life in the service of their country or their bodies, we owe it to them, those serving, and to their families to ask the hard questions of the administration and not hide behind platitudes.

I am, for one, tired of sitting in secret and top-secret briefings, either as a Member of this Senate or as a member of the Senate Armed Services Committee, and being told how well everything is going over in Iraq, given the chorus line again and again, just to find out, often the next day, that that is not true.

Last Tuesday a week ago, late afternoon, then Wednesday morning in Iraq, I was given those same kind of assurances by representatives of the highest level of the administration, the Department of Defense, and our military officials. Hours later, American contractors were ambushed in Iraq and bodies mutilated and displayed in obscene ways in that country. And hours after that, American marines were attacked and, in fact, were surprised, so that if it had not been for the intervention of U.S. commandoes, private security forces, even worse casualties could have occurred.

In the next few days, the escalating attacks in Iraq have caused the largest number of Americans to be killed of any time in this last year since the war began. It seems clear, based on the information I have been provided, that our military intelligence was unable to anticipate those attacks or to forewarn our Armed Forces of their imminence, their severity, which also resulted in additional casualties.

I am deeply troubled by reports in the press that the administration has