Election Campaign Act, which has been around since 1974, groups that have a primary purpose of influencing Federal elections and raise or spend $1,000 to do so have to register as political committees and comply with Federal campaign finance laws. 527 political groups have sprung up in this election with the clear and sole purpose of influencing the presidential election. Under existing laws and Supreme Court rulings these groups can run whatever ads they want—but they have to register as Federal political committees and they do have to abide by the same Federal campaign finance rules as all other political committees and candidates have to play by, and pay for those ads with hard money.

The Toner/Thomas proposal clears up this issue by correctly deeming any organization operating as a political group under section 527 of the tax code to have a ''major purpose'' of influencing Federal elections, unless the group falls within certain specified exemptions. This common-sense approach simply corrects the FEC failure to properly interpret the law in the past as it applies to 527 groups. It makes it clear that 527 political groups that have a major purpose to influence Federal elections and spend more than $1,000 to influence a Federal election have to comply with Federal campaign finance rules, regardless of whether their communications contain express advocacy.

Again, we have a golden opportunity here to fix an emerging problem before it gets out of hand. The Commission should take this rare opportunity to show they can do their job in a bipartisan way. They should approve the Toner/Thomas proposal on Thursday.

Mr. FEINGOLD. Mr. President, like Senator MCCAIN, I see this rulemaking on 527s quite simply as a test of the FEC's willingness to enforce the law. As we have noted many times, the Supreme Court in the McConnell v. FEC decision concluded that the FEC improperly interpreted federal election law and allowed the growth of the soft money loophole that made necessary our 7-year reform effort.

We have been watching the agency closely since the Bipartisan Campaign Reform Act was signed into law in March 2002, looking for signs that it will not repeat its past mistakes. For the most part, we have been sorely disappointed. The announcement yesterday that the FEC general counsel's office wants the commission to delay action on the rulemaking for 90 days is the latest example of this agency's failure to carry out its responsibilities.

It is important to remember that the issues the FEC has been considering recently arise not under the Bipartisan Campaign Reform Act that we passed a few short years ago, but rather under the Federal Election Campaign Act of 1974. The question of whether an organization is a political committee subject to the Federal election laws is sometimes a complicated question, but it is not a new one.

The McConnell decision made it clear that the FEC's previous approach, which was to allow 527s to avoid registering as political committees if they didn't use ''express advocacy,'' was wrong. The FEC needs to enforce the law so that groups whose major purpose is to influence Federal elections are subject to the Federal election laws.

I believe that when an organization tells the IRS that its primary purpose is to influence candidate elections in order to qualify for 527 status, it should not in most cases be able to turn around and tell the FEC that its major purpose is not to influence elections. To me, that just doesn't make sense.

It is unfortunate that the FEC initially approached this issue in a way that frightened legislative advocacy groups into thinking that they might become political committees and have to completely change their fundraising and operations. It is also unfortunate that the nonprofit community in opposing the erroneous FEC proposals took the position that nothing should be done about 527s that are very much involved in election activities but are seeking to operate outside of the election laws.

Senator MCCAIN and I, working with Representatives SHAYS and MEEHAN, our reform partners in the House, filed comments with the FEC arguing that there are narrow and targeted things that the FEC should do to protect the integrity of the election laws, without affecting legitimate 501(c)s. A bipartisan proposal announced recently by Commissioners Michael Toner and Scott Thomas takes this approach.

The Toner-Thomas proposal addresses only 527 organizations. It does not change the regulations that apply to 501(c)s. In addition, the proposal would change the allocation rules that apply to 527s that have both a Federal and a nonfederal account. It simply cannot be a correct interpretation of the law that an organization that has publicly declared that it will carry out partisan voter mobilization activities in battleground states this fall can use 98 percent soft money to pay for those activities. The Toner-Thomas proposal would require that at least half of the expenditures on these activities come from a hard money account. That certainly makes sense given that the groups themselves proclaim that their purpose is to influence the presidential election.

But now, the FEC's general counsel has proposed that the FEC delay its vote on the rulemaking for 90 days. This will only assure that the FEC will do nothing about 527s until after the 2004 elections. That is not an acceptable result. It is crucial that the FEC act now. It should adopt the Toner-Thomas proposal, but at the very least, it should modify the allocation rules applicable to 527s doing voter mobilization. There is absolutely no reason to postpone action on that issue.

I hope that some day it will not be a cause for celebration when the agency charged with enforcing the election laws look like it might actually do its job. Unfortunately, the FEC has not been an effective agency, and this latest proposed delay only confirms that it may not be up to the task that Congress has given it. Senator MCCAIN and I have introduced legislation to replace the FEC with a very different regulatory agency. I was pleased to read this week that the chairman of the Rules Committee agrees that the Senate should take a very hard look at the FEC and consider legislation to fundamentally change it.

For now, however, we will be watching closely to see how the FEC deals with the challenge of the 527s. I once again commend the Senator from Arizona for his dedication to this cause.

HEALTH CARE AND THE UNINSURED

Mr.VOINOVICH. Mr. President, I rise to speak today about the dilemma this Nation is facing regarding access to quality, affordable health care. Next to the economy, it is the greatest domestic challenge facing our Nation. In fact, the rising cost of health care is a major part of what is hurting our competitiveness in the global marketplace.

Throughout my career in public service, health care has been one of my top legislative priorities. Unfortunately, despite increased spending on public and private health care programs, millions of Americans are without health care coverage. Although, my State of Ohio has one of the lowest percentages of uninsured.

The statistics are overwhelming. For the fourth year in a row, health care spending grew faster than the rest of the U.S. economy in 2003. The average cost of family coverage was $9,018, with employees covering 27 percent, or $2,412, of the cost. During that same period of time, the average family's contribution to their health insurance increased 16 percent.

Total spending on health care is now approximately $1.6 trillion or $5,440 for every man, woman and child in the United States, which translates into almost 15 percent of our GDP—the largest share ever.

If we look at this in an international context, the statistics become even more glaring. Per capita health care spending in the United States continues to exceed other nations. In its May 2004 issue, ''Health Affairs'' reports that the Swiss spent only 68 percent as much as the United States per capita on health care in 2001. Even more troubling, Canada spent as little as 57 percent as much as the U.S. Both nations have a lower number of uninsured citizens than the United States.

Despite all the spending some 44 million Americans—15 percent of the population—had no health insurance at some point last year. This number has increased steadily. In 2000, that number

was 39.8 million. In 2002 it was 43.6 million. In 2 years, the country added almost four million uninsured individuals.

Just this week, the Cincinnati Enquirer told the story of Yolanda Webb, who left her Hamilton County, OH, job to begin her own cosmetic business. However, after opening her own shop, she realized that due to a chronic condition she was diagnosed with 20 years ago, a health insurance policy would cost her $800 a month. Unfortunately, this is an expense she can not afford and as a result, Ms. Webb is one of the 200,000 people in just the greater Cincinnati area that lives without health insurance coverage.

In addition, with increased costs, employers are facing difficult options. A poll of over 3,200 employers conducted by the Kaiser Family Foundation indicates that 56 percent of large firms increased employees' share of health costs in 2001. I have consistently heard from employers throughout Ohio that they want to continue to offer health insurance for their employees, but it hurts their ability to be competitive in the global market.

In light of these startling statistics, I was eager to join my colleagues on the Senate Republican Health Care Task Force to provide some solutions for dealing with these trends.

I have been in this situation before. As Governor of Ohio, I had to work creatively to expand coverage and deal with increasing health care costs for a growing number of uninsured Ohioans. I am happy to report that we were able to make some progress toward reducing the number of uninsured during my time as the head of the State by negotiating with the state unions to move to managed care; by controlling Medicaid costs to the point where from 1995 to 1998, due to good stewardship and management, Ohio ended up underspending on Medicaid without harming families; and implementing the S–CHIP program to provide coverage for uninsured children. In fact, I recently learned from the Cuyahoga Commissioners that in our county, 98 percent of eligible children are currently enrolled in this program.

Learning from this experience, I was especially encouraged by Senator FRIST and Senator GREGG's commitment to solving the national health care crisis and applaud their decision to form the Senate task force to explore the issue. I am convinced that my colleagues and I have been able to identify some very viable and immediate solutions for reversing the trend of the growing uninsured and for dealing with the rapid increase in the cost of quality health care coverage.

We can make this a reality by addressing the underlying factors that are contributing to dramatic increase in health care costs and the subsequent reduction in access to quality care. I have worked hard in the past on this issue, and am pleased that the package the task force released this week addresses the biggest factors driving health care costs.

The first is medical lawsuit reform. I have been concerned about this issue for quite some time—in fact, since my days as Governor of Ohio. I wish we had the outpouring of support for medical liability reform six years ago that I see now. In 1996, I essentially had to pull teeth in the Ohio Legislature to pass my tort reform bill.

I signed it into law in October 1996. Three years later, the Ohio Supreme Court ruled it unconstitutional, and if that law had withstood the Supreme Court's scrutiny, Ohioans wouldn't be facing the medical access problems they are facing today: doctors leaving their practice, patients unable to receive the care they need and costs of health insurance going through the roof.

Continuing down this path, during my time in the Senate, I worked with the American Tort Reform Association to produce a study that captured the impact of this crisis on Ohio's economy. In Ohio, the litigation crisis costs every Ohioan $636 per year, and every Ohio family of four $2,544 per year. These are alarming numbers! In these economic times, families can not afford to pay $2,500 for the lawsuit abuse of a few individuals.

The Medical Liability Monitor ranked Ohio among the top five States for premium increases in 2002. OHIC Insurance Co., among the largest medical liability insurers in the State, reports that average premiums for Ohio doctors have doubled over the last 3 years.

In a very real sense, I have heard from young physicians in Ohio who tell me they are considering relocating to a place where the ability to practice medicine is better and the liability situation is more stable. A friend of mine shared with me a letter from an OB–GYN in Dublin, OH, who had decided to retire from his practice. He wrote the following to his patients:

> On June 17, 2003, I received my professional liability insurance rate quote for the upcoming year, and it is 64% higher than last year's rate. I have seen my premiums almost triple during the past two years, despite never having had a single penny paid out on my behalf in twenty seven years as a physician. Even worse, during this time the insurance company has reduced the amount of coverage that I can purchase from $5 million to only $1 million, while jury verdicts have skyrocketed, often exceeding $3–4 million. If I were to purchase this policy, I would be putting all of my family's personal assets at risk every time that I delivered a baby or performed surgery. I refuse to do that.
>
> I have therefore decided to retire from private practice on July 31, 2003, the final day of my current liability insurance policy. This is not a decision that I take lightly, but unfortunately it has become necessary. For many of you, I have been part of your life for years. I have delivered your babies, and helped you through some of life's most difficult challenges. It has truly been an honor.''

And for those of my colleagues who think medical liability reform is a State issue, I would ask them to read a letter, which I submitted for the record on February 24, 2004, and see how the medical liability crisis transcends State lines—particularly my friends from the neighboring state of West Virginia. Our Ohio physicians, who practice along the border, are feeling the effects of their proximity to West Virginia and its favorable plaintiff's verdicts. They are feeling these effects in their increasing insurance premiums. And unfortunately, Ohio's physicians are not alone.

And it is not only doctors crossing State borders to find better insurance rates—it is patients as well. Citizens living along the thousands of miles of State borders very often obtain their medical care across that line. Federal action is appropriate and critically necessary. Even more so because this crisis affects Federal health care programs, including Medicare and Medicaid.

Overall, the cost of this crisis to the economy is quite staggering. There is evidence that physicians are now practicing medicine ''defensively'' in order to protect themselves from lawsuits. In fact, a March 3, 2003 report by the Department of Health and Human Services calculated the practice of defensive medicine costs the United States a total of between $70–126 billion a year and estimates that the cost for the Federal Government alone is between $35 and $56 billion.

As a cosponsor of the HEALTH Act, the Patients First Act, The Healthy Mothers and Babies Access to Care Act, and the Pregnancy and Trauma Care Access Protection Act, I will continue to work with my colleagues to find a way strike a delicate balance between the rights of aggrieved parties to bring lawsuits and receive rapid and fair compensation and the rights of society to be protected against frivolous lawsuits and outrageous rewards for non-economic damages that are disproportionate to compensating the injured and made at the expense of society as a whole.

We can no longer allow unchecked, excessive litigation to continue to drive up the cost of health care and limit access for so many Americans.

Beyond medical lawsuit reform, the task force has identified another way to limit the rapid increase in health care costs, that is to reduce regulations and paperwork requirements that burden out nation's health care providers.

Whether due to Federal privacy regulations or insurance requirements, this is an important issue to providers in Ohio. Last November, I visited a small hospital in the southern part of my State, Marietta Memorial Hospital, to discuss health care reform. At this meeting, I spent some time discussing the administrative process the hospital was required to follow in order to treat the patients that come through their doors each day.

The hospital provided me with a binder full of paperwork that was completed, in this case, for a total hip replacement procedure on an elderly patient. As you can see, Mr. President, this 72 page binder is full of more than 50 forms that either the hospital or the patient and their family were required to complete, some time multiple times, in order to for the patient to receive treatment.

This is a big enough challenge for large hospital groups, but for small providers like Marietta Memorial with just 204 beds and 90 physicians, this paperwork and regulatory demand can be crippling.

For this reason, I worked with the task force to include in our reform package ways to limit bureaucratic demands. We believe that this could save our Nation approximately $47 billion without risking patient safety, privacy or the quality of health care.

In addition, the task force found that there were ways to increase hospital's and provider's use of technology to lower their costs and eliminate duplicative test and procedures. Fortunately, President Bush has taken a huge step forward in this area and has created a new position at the Department of Health and Human Services to coordinate the Nation's health information technology efforts. I am pleased that Secretary Thompson recognized the importance of and the immediate need to develop standards that help to create electronic medical records and other technology efforts.

I have no doubt these standards when implemented will help improve quality and cost efficiency of care and will eventually help hospitals, especially smaller hospitals like Marietta Memorial, reduce duplicative costs and services to their patients and improve the quality of the care they can provide.

These are only some of the ways we can act immediately to put an end to the increase in health care costs and reduce the number of Americans that find themselves without quality health care coverage.

However, these are steps that will only provide interim relief.

Like I said, health care reform has always been one of my top priorities and I have been studying this issue for some time. In the past 2 years, I have met with experts and other interested parties to get the full picture of the state of health care in the United States and learn about possible efforts for reform. I have discussed reform proposals with individuals as diverse as former Ohio Congressman Bill Gradison to John Sweeney, President of the AFLCIO to Dr. Donald Palmisano, President of the American Medical Association, to Stuart Butler with the Heritage Foundation.

And over the past year and a half, I have been traveling throughout my State of Ohio and have held 14 roundtables to specifically discuss health care reform with employers and employees, business and labor leaders, the uninsured and the underinsured.

In fact, in Ohio I have even formed my own health care task force made up of representatives from physician and other provider groups, small and large employers, labor, policy experts, and others who have an interest in reforming our current health care environment. Together we have analyzed a variety of popular health care reform proposals to increase access to health insurance coverage. And what I have heard even from my most conservative friends—is that this health care system is broken.

People are telling me we need to think about plowing new ground. I agree and believe we have to reevaluate the way we are spending the $1.6 trillion that is dedicated to health care in this county. We need to look at the big picture and determine how we can realign our system to more efficiently provide quality health care that maintains choices and responsibility for consumers.

This, of course, will not happen overnight and, as a result, I am encouraged by and supportive of some of the interim and immediate solutions proposed by the Senate Task Force. My colleagues and I have taken a step in the right direction toward identifying immediate changes that will bring down the prices people are paying for their health care today, help those who have insurance retain it at reasonable rates, and expand access to affordable insurance for those who are currently uninsured and underinsured.

Should I have the opportunity to serve my fellow Ohioans for an additional 6 years, reforming our Nation's health care system will be my highest priority.

ASSISTANCE TO FIREFIGHTERS ACT

Mr. ROCKEFELLER. Mr. President, I am proud today to cosponsor S. 2411, the Assistance to Firefighters Act of 2004. This legislation, introduced by my colleagues Senators DODD and DEWINE, would reauthorize the FIRE Act grant program through 2010, as well as make a number of improvements to the existing program. This legislation will improve the ability of firefighters across to the country to do their jobs more safely and effectively.

Four years ago, I was proud to be an original cosponsor of the Firefighter Investment and Response Enhancement (FIRE) Act, which has generated nearly $2 billion in grants since the program was enacted. It has provided critical dollars enabling fire departments to pay for the purchase of new equipment, to better train their personnel, and to establish fire prevention campaigns. Although this is a notable step forward, in West Virginia, and throughout the country, fire departments remain seriously underfunded. I hope my colleagues will agree that much more needs to be done before we can feel comfortable about the level of preparedness of our firefighters.

In West Virginia, almost every single one of our approximately 460 fire departments is undermanned and without the necessary equipment they need to do their jobs. I worry, as I'm sure many of my colleagues do, that communities could find themselves in the unacceptable position of being ill-prepared to respond to an emergency. Very few towns and cities in West Virginia can afford to hire and train more firefighters, or to purchase new firefighting equipment without additional Federal assistance.

I will bet most of my colleagues would be surprised at the number of volunteers who currently make up the majority of our Nation's fire service. Volunteers compose nearly 75 percent of all firefighters nationwide. That percentage is much higher in rural States like West Virginia, where 95 percent of our firefighting personnel are volunteers. We rely on firefighters in most communities to assist us not only to put out fires, but also in cases of natural disasters, car accidents, hazardous material spills, and this mostly volunteer fire service would be called upon to respond to any acts of terrorism that might occur. Additional firefighters are needed, as well as an immediate infusion of new and better equipment so that they can do their jobs more effectively. Currently there are not enough portable radios or breathing apparatus equipment, and many departments lack the resources needed for proper vehicle maintenance. Reauthorizing the FIRE Act grant program will allow fire departments to hire more full-time personnel and further alleviate the costs of maintaining up-to-date equipment and training.

After 4 years, there are many facets of the program that need updating to reflect the learning process both Congress and the Fire Service we have undergone. This bill would make several improvements to the existing law that reflect the changing nature of the world we live in today and acknowledge that there are better and more efficient ways to administer the program. The measure would align the FIRE Act with new standards in Federal emergency management put in place since the creation of the Department of Homeland Security. It also lowers the matching funds requirement by a third for fire departments serving communities of 50,000 residents, and cut requirements in half for communities of 20,000 people or fewer, in order to lessen current budget strains. It would also open up funding to nonprofit Emergency Medical Service units not affiliated with fire departments. Right now, only EMS units attached to fire departments are eligible for funding. This provision in particular will improve the safety and security of West Virginians, where many of our EJMS units are independent of the local fire department.

I agree with the statements that have been made by virtually every Member of Congress that the world we