

drug companies on behalf of our seniors and the disabled to get the lowest possible price.

Why on Earth wouldn't that be the first thing we would do? Right now States, Fortune 500 companies, large pharmacy chains, and the Veterans' Administration use their large bargaining clout to obtain low drug prices. Common sense says Medicare should be doing it.

Regrettably, the only entity in this country that cannot bargain for lower group prices is Medicare. Why? Who benefits from that? Who benefits from locking in up to 40 million people forced to pay the highest prices? Certainly not our seniors and the disabled.

Because the supporters of the drug industry in Congress at the eleventh hour inserted into the final Medicare bill a special interest provision that strictly prohibits Medicare from getting group discounts, our seniors are paying top dollar.

We know the drug companies are powerful. We know they have over six lobbyists for every one Member in the Senate. We can do better, and people expect us to do better than this new law and these cards.

If we want, we can provide real savings for Americans. I wish to point to charts to demonstrate with a couple of medications what the differences are.

Right now for Lipitor, which lowers cholesterol, if we were to do a group discount, such as the Veterans' Administration does, our seniors would pay \$40.55 for a month's supply. If we were to open the border to Canada and allow trade, as we do for everything else, back and forth between Canada and the United States, we would be able to get that price down to \$35, from \$40.55 to \$35.04. However, if we continue with this current Medicare card, the low end is \$64.67 up to \$74.77. This makes no sense.

Right now people are being told to go out and sign up for a Medicare prescription drug card that will require them to pay more than we could get for them if we simply negotiated group prices or open the border to Canada.

Another demonstration: Norvasc, which controls high blood pressure. Again, with the VA, for a little over \$25, you can get a month's supply; Canada, \$28. But under the so-called discount card, it is anywhere from \$41 to \$49. These numbers just do not add up, and the seniors of this country, as well as all Americans who would benefit by opening the border and allowing us to do business across the border, are saying to us: Do it again, and do it right.

One more example: Protonix, which treats ulcers and other stomach conditions. If we were to negotiate a group price, as does the VA, the individual out of pocket would pay \$26.83, and through Canada, \$41.60. Under these new cards, they would pay from \$86 to \$108. It just does not add up. These numbers do not add up for our seniors or for anyone who is struggling to purchase medicine or to keep up with the

incredibly high and rising prices of their health insurance because we know this is a major driver.

In conclusion, are you better off than you were 4 years ago under this Medicare law? We need to change it, and we need to get it right.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. STABENOW. I thank the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the Senator from Michigan has been a leader on this prescription drug issue for the entire time she has been in the Senate. The country owes a debt of gratitude to her for being unrelenting in pointing out the need to reform prescription drug availability, especially as it relates to seniors.

I yield the remainder of the time to the Senator from Washington, Ms. CANTWELL.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Ms. CANTWELL. Mr. President, how much time remains?

The PRESIDING OFFICER. There is 3 minutes 45 seconds.

MARKET MANIPULATION AND ENERGY CONTRACTS

Ms. CANTWELL. Mr. President, I rise today to talk about something I have tried to address many times before in this body, and that is the issue of market manipulation and energy contracts specifically by the Enron company that have gouged my constituents for millions of dollars.

We have seen in the last couple of days as my own home public utilities district, Snohomish County PUD, was successful at getting audiotapes from the Enron company that showed exactly what people thought was happening: That people were talking about market manipulation, that people were talking about schemes, that people were making jokes about \$250 megawatt costs and prices that were gouging my constituents on energy prices. Now we know this company has already been cited by the Federal Energy Regulatory Commission as having manipulated the markets; now we are hearing in their own voices, in their own words, among their own employees, that this manipulation was going on.

The question is, what are we going to do about the market manipulation that has happened and for which my consumers have been gouged? My own home, my own personal utility has had a 50-percent rate increase since the energy crisis took place. That means my constituents have been paying higher energy costs on Enron-manipulated contracts and other contracts during this time period.

One would think that once market manipulation had been admitted, once market manipulation had been documented that we would do something about the market manipulation. In

fact, yesterday, the President said we must pass the Energy bill and we must protect consumers. I have a message for the President: This Energy bill does not protect consumers. In fact, it guarantees that the market manipulation which was done by Enron will continue because it basically says that manipulated contracts can be the standard for today. I think that is absolutely wrong. My constituents, in reports and analyses by California, Washington, and Oregon economists, have probably lost 100,000 jobs directly and indirectly from the energy crisis. We have lost a big percentage of our GDP. And we have had a huge increase in rates throughout the State.

So what does that mean? That means my constituents are still paying on those Enron contracts, and when our utilities said they were not going to pay, what happened? Enron turned around and sued utilities in my State. Enron is suing my consumers saying: You still have to pay on manipulated contracts.

Well, here is my check to Enron. Here is my \$370.00 check that will still have to go to pay for that Enron contract in which they have admitted market manipulation.

I have already personally paid them hundreds of dollars on manipulated contracts. So have my constituents. The question is whether this body and this administration are going to do anything about market manipulation, whether they are going to stand up and say that the Enrons of the world have taken the consumer to the cleaners and are going to let my constituents out of these manipulated contracts.

So while the President would like to have an energy bill, I would like to have an energy bill that protects consumers. I would like to have an energy bill that passes both the House and the Senate where Members of this body and the other body stand up and say market manipulation is wrong and we do not condone any contract as just and reasonable or any contract as in the public interest if, in fact, it has manipulated, schemed, and put people out of their homes at a huge cost to many of the consumers in my State.

I yield the floor.

The PRESIDING OFFICER. The minority's time has expired.

The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry. Are we now on the Republican morning business time?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. How much time do we have?

The PRESIDING OFFICER. Thirty minutes.

Mr. DOMENICI. I have told those who follow me, I will try to get finished in 7 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

ENERGY SECURITY

Mr. DOMENICI. Mr. President, over the weekend, the world witnessed the

horrible hostage-taking situation in Saudi Arabia, where terrorists attacked foreign oil workers and their families. I think we all know that foreign workers have been an integral part of the workforce that produces oil and maintains the infrastructure for oil in Saudi Arabia. These cowards did not attack refineries or terminals or pipelines this time. Those hard assets are supposed to be well guarded and could be replaced. I am not sure they are so well guarded. Instead, the terrorists chose human targets to cripple the world's access to oil supply. Thank God that about 50 of the hostages were rescued, but we mourn the more than 20 lives lost in this terrorist attack.

In the short run, this attack on foreigners and office facilities does not affect physical supply, but it can harm future output and expansion. Investment will be eroded if there is instability.

These terrorist attacks are a frightening warning that terrorists may be only steps away from destroying significant Saudi or other Middle East production facilities. I believe America should be more worried about that than anything else affecting our economic well-being.

It is actually a shame that we sit around and talk and do nothing to make America better prepared. Does anybody doubt that the terrorists, if they can get in and destroy an office full of people, are not prepared to do some real damage to the oil supply and the infrastructure, the tankers, and all the other things? I believe they are.

Terrorists' actions intensify concerns about the vulnerability of oil markets to supply disruption. We saw the price jump \$2.45 following the weekend attack, and there are indicators in the future market that those who invest in that market are investing in it heavily, which means they are gambling in a forthright and intelligent way that oil will go up even more.

Instead of oil coming down because of good economic realities, the one thing that is happening is oil is going up. We saw that jump, and before the weekend attack, oil prices were back under \$40, seemed to be moving a bit down in anticipation of the OPEC meeting on June 3.

Daniel Yergin, chairman of Cambridge Energy Research Associates, remarked that the signs of increased OPEC production were calming the market, but the weekend attack has again increased a sense of risk and nervousness that has done so much to propel the prices to \$40.

Fears and worries of terrorist sabotage attacks and political unrest have translated into a risk premium of \$7 to \$10 per barrel. This so-called risk premium is one of the reasons why the prices are as high as they are today.

Given that we live in a world of increased risk, particularly with mounting security worries in the Middle East, it is imperative that we take responsible steps to ensure our energy se-

curity today and in the future. Today, our energy security requires an emergency supply of oil in the event of severe disruption. Saudi Arabia is the largest OPEC producer and the OPEC country with the largest extra capacity to increase supplies. A major disruption of Saudi oil that we cannot respond to with the SPR would harm our energy security and the economy far more than \$40 a barrel of oil.

The President is right to preserve the Strategic Petroleum Reserve for times of dire need, not as a political gesture to abate high prices. And, yes, while prices are high today and they do hurt, today's prices are still below the energy prices America has borne in past years.

The SPR is designated and designed to be a national security asset, a national security blanket. It is not there to deal with supply and demand imbalance, which is the true source of higher prices.

What we have today is a long-coming trend of tightening supply and increasing demand. Changing our treatment of SPR cannot fix that problem. I fear that changing SPR policy will actually end up hurting us. What do my colleagues think OPEC would do if we suddenly changed SPR policy? From their standpoint, they could easily solve that by changing their output response. It would not take much, just a little bit, and they would negate any significant positiveness that comes from releasing SPR oil.

We have 660 million barrels of oil in SPR. We import 11.5 million barrels a day. About 5 million of those 11.5 million barrels a day are from OPEC. That means we have about 60 days' supply if there is a complete disruption to our imports and about 120 days' supply if only OPEC supplies were interrupted. SPR is not there just to deal with potential Middle East supply problems.

Weather forecasters predict an intense hurricane season for the Atlantic and gulf coasts, which would affect domestic and natural gas. As I see it, it is a shame that we are not ready to produce an energy bill and that we are still debating what this Senator likes, what that Senator likes, what the Democrats like. We have tried very hard to accommodate, but we cannot. SPR is our insurance policy against natural disasters as well as supply interruptions. We need SPR full and ready to serve in the event of an emergency. Past experience has taught us that trying to use it as a price control does not work. The bottom line is that changing our treatment of SPR does not lead to quick fixes in the market.

The energy bill that I have been fighting to pass in the Senate is about future energy security. The energy bill is not about quick fixes to the oil and gasoline market; it is a policy plan to move us into the future with a broader portfolio of resources and improved supply and demand balance. The energy bill will increase natural gas and domestic oil production that helps balance supply with growing demand.

The Energy bill will remove the 2-percent oxygenate mandate, which will make it easier to refine and easier for refineries to make gasoline that can be traded between regional markets. It is clearly very positive for America.

The Energy bill addresses the proliferation of boutique fuels. There are a number of State-specific gasoline formulations that have made refining more challenging and market efficiency poorer. The Energy bill will promote further research in hydrogen power that is the potential future for transportation. We have to get started. The longer we wait, the more we risk being blamed for an American disaster.

I will keep coming to the Senate floor to drive home the point that we need to pass an energy bill. Someone called today's energy situation "a crude awakening." It is, indeed. It is time for us to wake up and do something about it. The American public deserves action. They deserve an energy policy that takes care of them today and in the future.

I believe there is a real probability that those who lead our country today, including the Senate—perhaps excluding those who have tried, those who have voted for a new policy—but I believe there is a chance that the leaders of today will be blamed for the disasters of tomorrow. They will not be little disasters if, in fact, we cannot stop the terrorists from their activity. I believe the leaders of Iraq are optimistic, and I am glad because they want terrorists out of that country. But terrorists are everywhere. Believe you me, they are in Saudi Arabia. Believe you me, that is fragile. Believe you me, they are looking at the fragileness of the Saudi situation. I believe they can almost do what they like. They are close. I understand they know what is going on in the oil patch of Saudi Arabia. I am very worried. Frankly, I don't want to go down in history, when this event happens, and have it said we did nothing. I will continue to try. Many in this body will continue to try to make America's energy portfolio more diverse, with different uses so we can face the future with a little more hope.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

NATO

Mr. SMITH. Mr. President, it is hard to turn on the television without seeing the stirring images of the Allied landings on D-Day. I think in the heart of every American there swells a pride in these scenes, and what was accomplished on that day truly stands as one of the most historic achievements in recorded history. I think what was on display on D-Day with our Allies was a commitment to freedom, a commitment to the rule of law, a commitment to humankind that has made this world a better place in which to live.

As I reflect on these images, which we will share with our European allies,