

DURBIN and LINCOLN, have also come forward with serious contributions to the discussion.

I look forward to working with my colleagues of both parties, as well as with key stakeholders, in putting forward a full proposal for consideration by the HELP Committee and by the Senate.

However, as we move forward with this process, I want to pause today to identify certain foundation principles and reform components I believe should guide the direction we pursue:

No. 1, association-based plans should have the opportunity to harness the advantage of independent pooling and play a commercially meaningful role in the coverage marketplace—and if that puts market pressure on insurers, so much the better. At the same time, however, the coverage provided to association members should be subject to underlying regulatory and consumer protection requirements substantially comparable to those applicable to all entities offering similar coverage. In short, associations deserve a real seat at the coverage table, but that table should not have a substantial tilt one way or the other.

No. 2, the current hodgepodge of varying state health insurance regulation should be streamlined, thereby easing administrative and regulatory costs, and facilitating a larger number of plans in more states. Such “harmonization” was among the options put forward last year by the Senate’s Republican Task Force on Health Care Costs and the Uninsured. Under such an approach, states would be encouraged or required to adopt common sets of rules in targeted areas of health insurance regulation, such as rating and underwriting, though State oversight and enforcement authority would remain.

No. 3, individuals and businesses should have the opportunity to purchase lower-cost plans free or largely free of state benefit mandates. Though most purchasers will likely choose fuller coverage, it is important to assure that lower-cost alternatives exist as a safeguard for those who are struggling at the margin. Not everyone needs or wants the same degree of coverage, and where possible, our insurance laws should accommodate this reality.

No. 4, primary responsibility for most insurance oversight and consumer protection should remain with the state insurance commissions—including the right to assess health plans, including association plans. Although some degree of new Federal involvement will likely be necessary, it should be kept to a minimum. Though far from perfect, our State insurance commissions are much closer to the real problems confronted by purchasers of insurance in their communities than would be a federal agency in Washington.

No. 5, the focus of our immediate effort should be on policies that do not

require significant Federal outlays. Many laudable proposals have been put forward by the President and others for tax-based and other financial assistance for the purchase of insurance, and many of these should be pursued with vigor. We should not, however, allow the fiscal challenge of enacting such policies to sidetrack our efforts to advance less costly improvements.

I am open to suggestions, and I am open to compromise—but I am not open to continued inaction.

My intention is for these principles to serve as a foundation for the swift finalization and passage of a health insurance reform package that will deliver real relief to America’s small businesses and struggling families.

I ask unanimous consent that a summary overview of these principles be printed in the RECORD.

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

Foundation Principles
HEALTH INSURANCE REFORM
Senator Mike Enzi

U.S. SENATE HEALTH, EDUCATION, LABOR, AND
PENSIONS COMMITTEE JUNE 2005

Meaningful role for associations, but on a level playing field: Association-based plans should have the opportunity to harness the advantage of independent pooling and play a commercially meaningful role in the coverage marketplace, but provided that the coverage offered to association members is subject to underlying regulatory and consumer protection requirements substantially comparable to those applicable to all entities offering similar coverage.

Associations deserve a real seat at the coverage table, but that table should not have a substantial tilt one way or the other.

Streamlining of regulations: The current hodgepodge of varying state health insurance regulation should be streamlined, thereby easing administrative and regulatory costs, and facilitating a larger number of plans in more states.

Under such an approach, states would be encouraged or required to adopt common sets of rules in targeted areas of health insurance regulation, such as rating and underwriting, though state oversight and enforcement authority would remain.

A version of such “harmonization” was among the options put forward last year by the Senate’s Republican Task Force on Health Care Costs and the Uninsured.

Access to reduced-cost options: Individuals and businesses should have the opportunity to purchase lower-cost coverage free or largely free of state benefit mandates.

Though most purchasers will likely choose fuller coverage, it is important to assure that lower-cost alternatives exist as a safeguard for those who are struggling at the margin.

Not everyone needs or wants the same degree of coverage, and where possible, our insurance laws should accommodate this reality.

Strong state-based consumer protection and oversight: Primary responsibility for most insurance oversight and consumer protection should remain with the states—including the right to assess health plans, including association plans.

Although some new federal involvement may be needed, it should be kept to a minimum.

Though far from perfect, our state insurance commissions are much closer to the

real problems confronted by purchasers of insurance in their communities than would be a federal agency in Washington.

Budget neutrality: The focus of our immediate effort should be on policies that do not require significant federal outlays.

Many laudable proposals have been put forward by the President and others for tax-based and other financial assistance for the purchase of insurance, and many of these should be pursued with vigor.

We should not, however, allow the fiscal challenge of enacting such policies to sidetrack our efforts to advance less costly improvements.

THERE HE GOES AGAIN . . .

Mr. BUNNING. As my good friend and fellow Hall of Famer Yogi Berra once said, “Its deja vu all over again.” Once again, Chairman Greenspan and the Federal Open Market Committee, FOMC, are taking us down an economic path that is fraught with peril by unnecessarily raising interest rates.

Surveys show that Americans are much more worried about filling their gas tank than fitting into their swimsuit this summer, which may be a first. But nonetheless, despite record high energy prices, the Chairman Greenspan continues to raise rates. He is fighting an inflationary boogeyman that does not exist. Meanwhile, there is a very good chance his policies will lead us into the third recession of his tenure and American workers will suffer from his antics.

This reminds me of the summer of 2000, when all signals pointed toward a recession, but Chairman Greenspan refused to cut interest rates. When he finally did cut rates on January 3, 2001, in an emergency meeting after refusing to cut at the FOMC’s regularly scheduled on December 19, 2000, the damage was done. And the recession that was greatly exacerbated by September 11 was already underway.

I am very concerned with the Federal Reserve’s continued raising of interest rates. The Federal Reserve, it seems to me, continues to fix an economy that just is not broken. It is almost as if the Federal Reserve is frightened by success. They are once again throwing a wet blanket on an inflationary fire that does not exist.

As I have said before, I do not believe the Federal Reserve’s economic models are factoring in the impact of new technologies on the economy. They do not account for our increase in productivity. I also do not believe they take into account the psychological effects of higher energy prices. Chairman Greenspan, probably doesn’t have to fill up his own car very often, but families all over Kentucky and across the United States are feeling the sting of record gas prices, and it troubles them greatly.

We are coming to a crucial point in our economy, a point where it can not sustain higher and higher interest rates. As our interest rates rise like helium, our economy will suffer, housing starts will be down, and we will lose

the economic momentum we have enjoyed. Apparently Chairman Greenspan wants to do to the housing market what he did to the stock market, and once again the average American on Main Street USA will suffer.

Sometimes, I feel like a voice crying out in the wilderness, but somebody has to tell Alan Greenspan and the FOMC that prosperity is not the enemy. I hope it will not take another recession for Chairman Greenspan to learn that lesson. The American people have already learned those lessons during his tenure in very painful ways.

IN MEMORY OF MARCIA LIEBERMAN

Mr. DODD. Mr. President, I rise to speak in memory of Marcia Lieberman, who passed away on June 26 at the age of 90.

Marcia was the mother of my dear friend and our colleague, JOE LIEBERMAN, with whom I have had the pleasure of serving in this body for 16 years. She was born in 1914, lived through the Depression, and ran her husband's business when he left to serve in World War II. She was active in senior centers and Connecticut Jewish groups. She campaigned with her son many times and served as his liaison to seniors. Her commitment to her community was constant and selfless. But biographical information alone cannot adequately describe this remarkable woman. Her legacy is an entire life lived well, a long string of simple moments of kindness and love.

It is possible to get a glimpse of that character in the anecdotes that have been told about her—the care packages to reporters, the quips to Larry King, and the matchmaking services offered to a traveling reporter. But it is more clearly illuminated in the warm memories of those of us who knew her, which were echoed in the beautiful eulogies that Senator LIEBERMAN and his children gave on Tuesday of this week at her funeral service.

As they so eloquently said, and as all her friends knew, Marcia strongly believed in the importance of family and was openly warm and caring with everyone she met. During Marcia's funeral service, the rabbi asked how many people in the audience believed they were her friend. Everyone raised their hand. He then asked who believed they were one of her best friends. Again, everyone raised their hand. She had an uncanny ability to make people feel close to her. This quality, among others, put people at ease and gave them confidence in themselves.

Marcia's loving nature often took the form of great strength and courage. She insisted that the members of her family take care of each other and live ethically. She was witty and saw the joy and humor in life until the very end. Even in the last few weeks of her life, she maintained her well-known strength and resilience, which helped her family through this difficult time.

She was a beautiful person, whose humor, kindness, and love were infectious for those who met her. She will be dearly missed.

I offer my deepest condolences to JOE, his sisters Rietta and Ellen, the whole Lieberman family, and to the countless others whose lives were enriched by Marcia Lieberman.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS

Mr. THUNE. Mr. President, I applaud my colleagues for coming together in a bi-partisan manner to fix the budget shortfall at the VA. I proudly cosponsored the amendment and believe it was the best thing and the right thing to do. The amendment will provide \$1.5 billion in badly needed funds. Although the VA could limp along until fiscal year 2006, it would have to do so by raiding other accounts and cutting back on other projects. This is simply unacceptable.

I am proud the Senate chose unity over division to make sure that the shortfall at the VA does not affect veterans. I applaud the Senate leadership, Republican and Democratic, for both decisive and effective action.

The importance of adequately funding the VA cannot be understated. Along with our existing veterans, our men and women returning from Operation Iraqi Freedom and Operation Enduring Freedom need a VA that can support them and care for them.

CONSULTATION ON JUDICIAL NOMINATIONS

Mr. LEAHY. Mr. President, last week a number of Senators urged the President, if a vacancy were to arise on the Supreme Court, to consult with Senators from both parties. I commend, in particular, Senator KENNEDY, a former Judiciary Committee chairman for his perspective on this and thank him for his diligence in helping make this essential point in his statements again this week.

Forty-four Senators sent the President a joint letter urging consultation and a consensus nomination. In addition, I understand that Senators Nelson and Salazar have also urged consultation.

Likewise the 14 Senators in the bipartisan group that averted the nuclear option included strong language in their agreement urging bipartisan consultation by the President. They wrote:

We believe that, under Article II, Section 2, of the United States Constitution, the word "Advice" speaks to consultation between the Senate and the President with regard to the use of the President's power to make nominations. We encourage the Executive branch of government to consult with members of the Senate, both Democratic and Republican, prior to submitting a judicial nomination to the Senate for consideration.

Such a return to the early practices of our government may well serve to reduce the rancor that unfortunately accompanies the advice and consent process in the Senate.

We firmly believe this agreement is consistent with the traditions of the United States Senate that we as Senators seek to uphold.

I agree. Bipartisan consultation is consistent with the traditions of the Senate and would return us to practices that have served the country well. They are right to urge greater consultation on judicial nominations.

Last week some on the other side of the aisle criticized me for offering to help the President should a Supreme Court vacancy arise. At the time, I said I stood ready to work with President Bush to help him select a nominee to the Supreme Court who can unite Americans. In spite of the unfair criticism, I reiterate today my willingness to help. I have urged consultation and cooperation for 4 our years and have continued to reach out over these last few weeks to the President. I hope that if a vacancy does arise the President will finally turn away from his past practices, consult with us and work with us.

I am troubled by the divisive battle lines being drawn by some right-wing groups that have launched attack ads in recent weeks. They attack Democratic Senators generally and individually in advance of a vacancy or a nomination. The other side has established a new low by going "negative" in advance and being critical in anticipation of a fight that I and others here in the Senate are working to avoid. The partisan activists supporting the White House have boasted for weeks about their war chest of upwards of \$20 million to be used to crush any opposition to this White House's selection. They have now chosen to fire a nasty preemptive strike in what they intend to make all-out partisan political warfare.

If the White House intends to follow that plan, it will be most unfortunate, unwise and counterproductive. I have urged, Democrats have urged a better way. Although the landscape ahead is sown with the potential for controversy and contention should a vacancy arise on the Supreme Court, confrontation is unnecessary. Consensus should be our mutual goal.

I hope the President's objective will not follow the path he has taken with so many divisive circuit court nominees and send the Senate a Supreme Court nominee so polarizing that confirmation is eked out in the narrowest of margins. This would come at a steep and gratuitous price that the entire Nation would have to pay in needless division. It would serve the country better to choose a qualified consensus candidate who can be broadly supported by the public and by the Senate.

The process will begin with the President. He is the only participant in the process who can nominate candidates to fill Supreme Court vacancies. If there is a vacancy, the decisions made in the White House will determine whether the nominee chosen will unite the Nation or will divide the Nation.