

under the definition of disability, even if the effects of the impairment are controlled by medication.

This is important because if an individual, I repeat, is not considered to be disabled under the ADA, then they do not have the protections of the Americans with Disabilities Act. For example, as I said, they are not entitled to reasonable accommodation on the job and they can be fired for any reason—let's say not being able to do the job without an accommodation. So if you are a person with a disability and you have an assistive device, you get the job and you need a reasonable accommodation so you can do the job, but the employer says: I am not going to do it, well, guess what. They do not have to because the individual is no longer considered disabled. But if they didn't have the assistive device, they wouldn't get the job in the first place.

This is what has happened, and it has created consternation among people with disabilities who want to use assistive devices and take medication and do things—they want to work. But if they do that, they are no longer protected by the ADA.

So that is why we have introduced the ADA restoration bill, to again overcome the hurdles the Supreme Court has pronounced in three or four cases—I won't get into those now—and so that we get to the original intent of the ADA, which is to say you are covered if you have a past disability, a present disability, or you are perceived to have a disability.

Again, I repeat, we have a supreme absurdity confronting people with disabilities now. People with serious health conditions, such as epilepsy or diabetes, who are fortunate to find treatments that make them more capable and independent, more able to work, may now find they are no longer covered by the ADA.

One last thing. In another Supreme Court case, the Court held there must be "a demanding standard for qualifying as disabled." This, too, has resulted in a much more restrictive requirement than Congress intended and has had the effect of excluding countless individuals with disabilities from the protections of the law.

So the situation cries out for a modest, reasonable legislative fix, and that is exactly what Senator SPECTER and Congressmen HOYER and SENSENBRENNER and I and many other cosponsors propose to do with the ADA Restoration Act of 2007. Our bill amends the definition of disability so that people Congress originally intended to be protected are covered under the ADA.

Mr. President, 17 years ago, the Americans with Disabilities Act passed with overwhelming bipartisan support. Likewise, today, we are building a strong bicameral, bipartisan majority to support ADA restoration. As I said, the companion bill was introduced in the House last week. Now, as with the ADA in 1990, it will take some time. We have to have hearings. It has been re-

ferred to four committees in the House and referred to the HELP Committee here in the Senate. But I am grateful for the bipartisan spirit with which we are approaching this legislation.

We have said all along, going clear back to the 1980s, that the Americans with Disabilities Act is supremely non-partisan. There is nothing Republican, Democratic, liberal, conservative, or anything else about this. It is simply doing the right thing. As we look back over the last 17 years, we can take pride in what we have done, particularly when you see the curb cuts all over America or you go into movie theaters now and you see places where people with wheelchairs can come in or you go into restaurants now and see families taking out somebody who maybe has a seeing-eye dog or a companion dog. We have even made the Capitol of the United States fully accessible to people with disabilities. As I said, every place all over America, even sports stadiums, has been transformed.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired, and the time of the majority has also expired.

Mr. HARKIN. Mr. President, I ask unanimous consent for 1 more minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARKIN. Again, we have come to the point where we have to go back and put into law what it is we originally intended and to cover people now who are caught in this absurd catch-22 situation. We have an opportunity again to come together as Republicans and Democrats. We have a chance to come together for millions of Americans with disabilities.

I look forward to working with colleagues on both sides of the aisle to restore Congress's original intent, to ensure that Americans with disabilities are protected from discrimination. So on behalf of Senator SPECTER and myself, the Senate bill is S. 1881, and we encourage Senators to take a look at it. We hope we can get good bipartisan support, have our hearings on it this fall, and get this enacted as soon as possible, probably early next year sometime.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

SMALL BUSINESS TAX RELIEF ACT OF 2007—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to the consideration of H.R. 976, which the clerk will report.

The assistant legislative clerk read as follows:

A motion to proceed to the bill (H.R. 976) to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Mr. President, the psalmist sang:

Out of the mouths of children and infants, You have ordained strength.

Today we begin debate on a bill to renew and add strength to a program that helps children and infants, the State Children's Health Insurance Program, known as SCHIP. CHIP works. Since the plan began 10 years ago, CHIP, or the Children's Health Insurance Program, has cut the number of children without health insurance by more than a third, more than a third over the last 10 years.

Health insurance matters. Children with health coverage are more likely to get the care they need when they need it; that is, if they have health coverage. Because of SCHIP, millions of children get checkups. They see doctors when they are sick. They get the prescriptive medicines they need.

Uninsured children suffer. Uninsured kids are less likely to get care for sore throats, for earaches, and asthma. When care is delayed, small problems can become big problems. Nearly half of uninsured children have not had a checkup in the past year. Uninsured children are twice as likely to miss out on doctor visits or a checkup.

I think of a single mother from my home town of Helena, MT, who learned that her son had epilepsy. When did she find out? She found out right after her son lost private health coverage. She checked into other health care plans but none covered the expensive medication her son needed. Plans called her son's epilepsy a preexisting condition.

Then a friend told her about CHIP. She applied, and she found out her son was eligible. Thanks to CHIP, this young man got the medications he needed, and his mother got the peace of mind she deserved.

CHIP, again known as Children's Health Insurance Program, makes sense as an investment. A child who is healthy can go to school. A child who is healthy in school is more likely to do well. A child who does well in school is more likely to get a job. And people with jobs are less likely to end up in jail or on public assistance.

Thus, CHIP helps Americans to compete. Ensuring that kids can have health insurance is an investment in America's future.

CHIP helps. CHIP helps more than 6 million children whose parents work

but cannot afford insurance on their own—6 million. These low-income working families are not poor enough for Medicaid, and they are not rich enough to afford private health insurance. Ninety-one percent of children covered by CHIP live in families making less than twice the poverty level.

It is time to strengthen CHIP. Millions of children have no health insurance. There are more kids without health insurance than there are kids in the first and second grades combined. Think of that: more kids without health insurance than there are kids in America in the first and second grades combined.

Americans overwhelmingly support getting their kids healthy, and the Senate will begin debate on a bill that will fulfil CHIP's promise to the 6.6 million children now covered. And our bill will cover 3.2 million more children who are now uninsured. This bill is a good compromise. It puts enough resources on the table to make a difference for children. It keeps CHIP focused on kids, and it is fiscally responsible.

We keep CHIP focused on kids. Childless adults who are covered today will transition off the program. No new waivers will be allowed for CHIP coverage of childless adults. Coverage of low-income parents will transition to separate block grants at a lower match rate. No new waivers will be allowed for CHIP coverage of parents.

We build in flexibility. States will be able to designate CHIP funds to help families afford private coverage offered by employers or other sources.

We pay for what we do. When Congress created CHIP in 1997, we paid for it with a cigarette tax. We continue that funding source. We increase the Federal tax on cigarettes by 61 cents, and we make proportional increases for other tobacco products. Increasing the cigarette tax will also discourage smoking, particularly among teens. And that will be good for kids, too.

CHIP is the legacy of work by Senators of goodwill from across the spectrum. It is the legacy of work by Senators such as CHUCK GRASSLEY and JAY ROCKEFELLER, ORRIN HATCH and TED KENNEDY. This year, Senator GRASSLEY and I worked with Senators ROCKEFELLER and HATCH to craft a consensus package that was the basis of the bill, the bill before us today.

The Finance Committee modified it and endorsed it with a strong 17-to-4 vote. I believe the committee has produced a bill of which the Senate can be proud. I thank my colleagues for their hard work, for their patience, and their commitment to getting something done.

CHIP is not new. CHIP is tried and it is true. It has worked successfully for 10 years. And four out of five Americans would like to see Congress add new funds to the program.

Now it is time for us to act. For the benefit of children and infants, let's provide strength to the benefit of chil-

dren. Let's expand health care coverage, and for the benefit of children let's pass this legislation.

Mr. President, I yield 10 minutes to one of the fathers of this program with whom I am very proud to have worked this last year, and did yeoman's work, did a great job for kids and also his State of West Virginia, Senator ROCKEFELLER.

Mr. ROCKEFELLER. Mr. President, I rise with great pride today to speak in support of the Children's Health Insurance Program—or CHIP—Reauthorization Act of 2007, legislation I authored with Senators BAUCUS, GRASSLEY and HATCH to provide health care to 4 million children in need. It is fitting that we are starting debate on CHIP reauthorization today because in less than 1 week—on Sunday, August 5, 2007—we will be celebrating the 10-year anniversary of the date that this landmark and widely successful program was signed into law. This all started over quite some time ago with John Chafee and myself and some others, about 10 years ago. But there has been an intensity of effort led by Chairman BAUCUS, Ranking Member GRASSLEY, myself, and ORRIN HATCH over the last 3 months, meeting up to 2 hours a day, virtually every day, our staff meeting around the clock to try to reach bipartisan consensus, which we have reached, all by giving up some and reaching accommodation.

I have to say I have a lot of pride in what we are doing today. But I hope we will fulfill our work in the Senate in the next few days. It is interesting that Sunday, August 5, 2007, is the actual 10-year anniversary this program. As you know, it expires at the end of September, in which case all children who now have health insurance under this program—all of children, not only the new ones we are including, but all of them—would lose their health insurance.

This legislation is incredibly personal to me, if I may say so, because I spent 4 years chairing the National Commission on Children. It was a long time ago. I swore I would try to honor the commission with its very wide spectrum of American public officials and private people, by getting our unanimous recommendations into law. And one of them was, in fact, the Children's Health Insurance Program. So I do that very carefully. I also do that with a certain personal emotional experience.

When our oldest son was born, when he was 10 days old, he developed something called pyloric stenosis, which is called projectile vomiting, which means your stomach is not taking in food.

Because we had health insurance, and we could afford health insurance—unlike the people of the chairman of the Finance Committee's bill that we are discussing. Because we could afford that health insurance, we could take him down to the hospital. He had an operation, and he is doing fine. Other-

wise he would have died. So that is partly what is inside of me during this debate.

As I think about this, I think in 1997 we were acting out of despair and frustration because of what was not happening for children. Sometimes I think this body's best work comes at a point when we do reach genuine despair and frustration, when we cannot take it any more. We are so aware of what we are not doing that we proceed to do it.

I think that is part of what is propelling us now. The Children's Health Insurance Program is proven, as the chairman of the committee has said. It works very well. In 2006, more than 6 million children were enrolled and were receiving good benefits.

Together, CHIP and Medicaid have significantly increased children's health insurance. Even as the overall number of uninsured Americans who are not children have gone up, the number of insured children have remained steady and it even declined. In fact, between 1997 and 2005, CHIP and Medicaid reduced the percentage of children below 200 percent of poverty without health insurance by about one-third. More insured children, less uninsured because of the good work of this bill.

West Virginia, we have 39,000 children who are affected by this program. One can say that 39,000 is not very many, or one can say that is 39,000 lives that have been profoundly and intimately affected by all of this. Again, I am moved by that.

I started work as a Vista volunteer in West Virginia. I remember what it was like when kids did not get health care. And that feeling remains in me today as strongly as it did in 1964 when I went to West Virginia for the first time. Anyway, the facts are not so good for everybody.

There is a wonderful 12-year-old boy named Deamonte Driver. His mom knows that feeling all too well. Her son lost his life because the Medicaid coverage lapsed for him, and a dental infection spread to his brain and he died. That happens in America. It happens every single day. We do not notice it. But that is what we are here in this Chamber for: to minimize that as much as we possibly can.

The bill before us today is \$35 billion. That provides health insurance coverage for 4 million low-income children who would otherwise be uninsured. Let me repeat. They would be uninsured. Most of them are already eligible for Medicaid or CHIP but not currently covered, and that is at a cost of \$35 billion over 5 years—not per year but over 5 years.

As Peter Orszag, who is the very talented CBO Director, said this is the most efficient possible way per new dollar spent to get reduction of roughly 4 million uninsured children.

Now, it was not easy to get to this point. It was very hard for me because I wanted a \$50 billion program. It was in the budget mark for \$50 billion.

There are a lot of things we had to give up because we had to arrive at a place where Republicans and Democrats could agree. As we met every afternoon for several hours in Chairman BAUCUS's office, we had to come to a point where Republicans who wanted \$22 billion, or the President's program, or us, who wanted \$50 billion, where we could ratchet it down so we could agree on something. So we agreed on the \$35 million. That is where our chairman, MAX BAUCUS, was a fearless leader. He and I have sort of agreed—I think we have all agreed—we are going to oppose any amendment which enlarges this program, which would tend to make us happier, or which would diminish the program, which would tend to make others happier. We are going to oppose amendments. That is not a comfortable thing to do. We don't offer enough dental in this bill for my taste. But when somebody comes and says: I want more dental because dental is so important, because so many kids lose their teeth by the time they are 14, 15-years-old, I will oppose that, because I want to keep the integrity of this bill to make sure that 10 million children who are at risk of no health insurance without CHIP get to keep their health insurance.

Our legislation passed the committee 17 to 4. The Finance Committee is a tough committee. Seventeen to four it passed; that is a huge vote. So today is monumental.

The bill does basically three things. The bill eliminates the Federal CHIP shortfall so States could keep covering the 6.6 million kids they cover now. You remember the President reduced the budget from \$15 billion to \$5 billion, so that would have taken effect. The increase in health care costs has also made things more difficult. So eliminating the shortfalls restores CHIP coverage to 1.4 million children. Again, 1.4 million is a lot of families, a lot of lives who would have lost CHIP and faced a lot of agony and a lot of people staying up at night lost in despair.

Secondly, it provides new Federal resources for States to cover 2.6 million children currently eligible for Medicaid or CHIP but not enrolled. They are out there, as eligible as anybody else, but they are not enrolled because the money isn't there for them. We have sent \$20 billion to Saudi Arabia to do what they want, to buy arms. I keep asking: What if we were to do some of that here? What if we were to do that on climate change? That is not the discussion of the afternoon so I won't pursue it, but our legislation includes 1.7 million who are Medicaid eligible, and 900,000 who are CHIP eligible. This 2-to-1 ratio matches the ratio of uninsured Medicaid-eligible children to uninsured CHIP-eligible children.

And, third, this bill improves the predictability and stability of the CHIP funding formula so that States can cover more children.

At the proper time, I will support my colleagues in strongly supporting this bill, which is a start.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Mr. President, I thank my friend from West Virginia. Before the former chairman speaks, I compliment him on his steadfast advocacy for the members of his caucus and for the work for kids he has demonstrated. He has a difficult job. He is standing up for his side of the aisle. There was negotiation, innumerable meetings. I can't mention the number of meetings we have had, there have been so many. At the same time he has also worked for kids. I compliment him for working hard to accomplish both objectives.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank the chairman of the committee for his kind words, and my kind words go to reemphasize the close working relationship over a period of 6 years, now going into the seventh year, he and I have had being leaders of both the Republican and Democratic members of the Finance Committee. I thank him very much for continuing that working relationship while he was chairman a few years ago and now chairman again. That is why this committee produces legislation that eventually gets to the President. I thank the Senator very much.

The State Children's Health Insurance Program—and people watching will hear the acronym SCHIP used often—is the product of a Republican-led Congress 10 years ago, 1997, and it is sunsetting this year. That is why we are here reauthorizing and bringing more kids into the Children's Health Insurance Program. It is very much a targeted program designed to provide affordable health coverage for low-income children of working families. These families make too much to qualify for Medicaid but struggle to afford private insurance if they can even get it. It is important that we reauthorize this targeted program for children. The Finance Committee bill proposes a reasonable approach for reauthorizing SCHIP that is the product of months of bipartisan work in the committee. Chairman BAUCUS referred to innumerable meetings. We don't keep track of the number of meetings we have, but for every meeting Senator BAUCUS and I have been involved in, usually Senator HATCH and Senator ROCKEFELLER were there as well. In the meantime, including a lot of weekends of work, the staffs of the respective Senators were involved in negotiations to get us to the floor this day.

Once again, I emphasize what I heard Senator ROCKEFELLER say. This is a bipartisan bill voted out of committee on a vote of 17 to 4. It is a compromise. I think it is the best of what is possible. Clearly Members on the left would want to do more. My colleagues on the right want to do less and go in a different direction. Neither got what they

wanted. That is pretty much the essence of a compromise, not only on SCHIP but the essence of compromise in the Senate probably over two centuries of the Senate's history.

This compromise bill maintains the focus on low-income, uninsured children and adds coverage of an additional 3.2 million low-income children.

Although I have been pleased with the bipartisan cooperation that led us to the substance of the bill, I can't say the same for the way in which the bill is now being debated on the floor. Without participation or consultation, the Democratic leadership decided to use a so-called shell revenue bill, the House small business tax relief bill, as a vehicle for debate. The Democratic leadership will correctly maintain that the reason for this unusual maneuver is a strategic decision to accelerate a couple of procedural steps. That is nothing new in the Senate. You can't find fault with trying to shorten up the process because the Senate process is already long enough. But since there is no House-passed SCHIP revenue bill in the Senate now and not likely to be one by the time the Senate debate ends this week, the Democratic leadership wants to take a shortcut now.

While I share the goals of completing Senate action on SCHIP and doing it this week, I would rather not be debating a general tax bill. This shortcut means, then, that it is legitimate for Members on both sides of the aisle to raise unrelated tax amendments. That was not the posture we took in committee. In fact, we discouraged that, and we got both Republicans and Democrats to agree to voting this bill out as a health insurance bill and not as a general tax bill except for the provisions that relate to tobacco. Of course, now we are on the floor. The stage is set very differently.

When I found out about this maneuver from the Senate Republican leader, Mr. MCCONNELL, I urged the Democratic leadership, through Senator BAUCUS, to reconsider. I feared this shortcut would only widen the playing field for the first stages of the debate. Obviously, my counsel was rejected. It is disappointing but so be it.

Despite my objections to this procedural maneuver, I do support the Senate Finance Committee bill and will have more to say about it after the cloture vote this afternoon. In fact, I will have a lot to say about it. I will have a lot to say about particularly people who believe we have gone too far. I want to make very clear that it would be impossible to do what the President said he wanted to do under the amount of money he wanted to put into this program, which was \$5 billion over what is presently being expended. Obviously, we are way above that at \$35 billion, but we were able to do what the President wanted to do and cover some more kids. I will go into details on that later on.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. I yield 10 minutes to the chairman of the HELP Committee, one of the fathers of the CHIP program, the Senator from Massachusetts.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, many of the best ideas in public policy are the simplest. The Children's Health Insurance Program is based on one simple and powerful idea—that all children deserve a healthy start in life, and that no parents should have to worry about whether they can afford to take their child to the doctor when the child is sick. CHIP can make the difference between a child starting life burdened with disease or a child who is healthy and ready to learn and grow.

I would like to begin by thanking my colleagues Senator BAUCUS, Senator GRASSLEY, Senator ROCKEFELLER and Senator HATCH for their dedication to making sure that more of America's children have a start at a healthy life. They have worked diligently to reach the bipartisan bill that we have for us today. But I am not surprised by that.

Throughout the history of CHIP, Members on both sides of the aisle have exercised true leadership and set politics aside to focus on the needs of children. Senator BAUCUS, Senator ROCKEFELLER, and Senator BAUCUS have long been advocates for the health and well-being of children and have been willing to work with those who shared that goal.

My old friend Senator HATCH and I worked together in 1997 to create this program that was our shared vision for healthier future for American children. This year, we have once again worked together to find common ground on covering the children deserve decent, quality health care.

As we now consider the future of CHIP it is instructive to look back on the history of the program and the circumstances in which it was created.

The enactment of Medicaid in 1965 brought decent health care to families living in poverty, including children. But it became clearer and clearer as the years and the decades passed, that more and more children were unable to obtain health care because they lived in families whose incomes were too high to qualify for Medicaid but too low to afford health insurance.

Finally, in Massachusetts, in the 1990s we agreed that health care coverage for children is a necessity and that action needed to be taken. John McDonough, executive director of Health Care for All in Massachusetts, deserves much of the credit for what came next. His pioneering work while he was in the Massachusetts Legislature on children's health care led to the passage in 1993 of the State's Children's Medical Security Plan, which guaranteed quality health care to children in families ineligible for Medicaid and unable to afford health insurance.

A year later, Massachusetts expanded eligibility for Medicaid, and financed the expansion through a tobacco tax—

the same approach we used successfully a few years later for CHIP and the same approach that is proposed in the bill before us now.

Rhode Island and other States took similar action, and helped create a nationwide demand for action by Congress to address the unmet needs of vast numbers of children for good health care.

In 1997, Congress acted on that call, and the result was CHIP. Senator HATCH and I worked together then—as we have this year—to focus on guaranteeing health care to children who need it. Now in every State in America and in Puerto Rico, CHIP covers the services that give children a healthier start in life—well child care, vaccinations, doctor visits, emergency services, and many others.

In its first year 1997, CHIP enrolled nearly a million children, and enrollment has grown ever since. An average of 4 million are now covered each month, and 6 million are enrolled each year. As a result, in the past decade, the percentage of uninsured children has dropped from almost 23 percent in 1997 to 14 percent today. That reduction is significant, but it's obviously far from enough.

CHIP improves the overall quality of life for children fortunate enough to have its coverage, by allowing them to get the care they need when they need it. They are more likely to have a real doctor and a real place to obtain care, and, their parents don't delay seeking care when their child needs it. Children on CHIP also have significantly more access to preventive care.

Studies also show that CHIP helps to improve children's school performance. When children are receiving the health care they need, they do better academically, emotionally, physically and socially. CHIP helps create children who will be better prepared to contribute to America. CHIP all but eliminates the distressing racial and ethnic health disparities for the minority children who disproportionately depend on it for their coverage.

CHIP's success is even more impressive and important when we realize that more and more adults are losing their own insurance coverage, because employers reduce it or drop it entirely.

That's why organizations representing children, or the health care professionals who serve them, agree that preserving and strengthening CHIP is essential to children's health. The American Academy of Pediatrics, First Focus, the American Medical Association, the National Association of Children's Hospitals and countless other organizations dedicated to children all strongly support CHIP.

A statement by the American Academy of Pediatrics puts it this way: "Enrollment in SCHIP is associated with improved access, continuity, and quality of care, and a reduction in racial/ethnic disparities. As pediatricians, we see what happens when children don't receive necessary health

care services such as immunizations and well-child visits. Their overall health suffers and expensive emergency room visits increase."

Today we are here to dedicate ourselves to carrying on the job begun by Congress ten years ago, and to make sure that the lifeline of CHIP is strengthened and extended to many more children.

Millions of children now eligible for CHIP or Medicaid are not enrolled in these programs. Of the nine million uninsured children, over two-thirds—more than 6 million—are already eligible for Medicaid or CHIP. These programs are there to help them, but these children are not receiving that help either because their parents don't know about the programs, or because of needless barriers to enrollment.

Think about that number—9 million children in the wealthiest and most powerful nation on earth; 9 million children whose only family doctor is the hospital emergency room; 9 million children at risk of blighted lives and early death because of illnesses that could easily be treated if they have a regular source of medical care.

Nine million uninsured children in America isn't just wrong, it is outrageous. We need to change it as soon as possible.

We know where the Bush administration stands. The President's proposal for CHIP doesn't provide what is needed to cover children who are eligible but unenrolled. In fact, the President's proposal is \$8 billion less than what is needed simply to keep children now enrolled in CHIP from losing their current coverage—\$8 billion short. To make matters worse, the President has threatened to veto the Senate bill which does the job that needs to be done if we are serious about guaranteeing decent health care to children of working families across America.

We can't rely on the administration to do what is needed. We in Congress have to step up to the plate and renew our commitment to CHIP. That is why I am supporting the CHIP bill before us. It is a genuine bipartisan compromise. This bill provides coverage to 4 million children who would otherwise be uninsured.

It adjusts the financing structure of CHIP so that States that are covering their children aren't forced to scramble for additional funds from year to year and so that Congress doesn't have to pass a new band-aid every year to stop the persistent bleeding under the current program. Importantly, this bill will not allow States to keep their CHIP funds if they aren't doing something to actually cover children.

Equally important, this bill allows each State to cover children at income levels that make sense for their state. The bill also supports quality improvement and better outreach and enrollment efforts for the program. It is a scandal that 6 million children today who are eligible for the program are not enrolled in it.

In sum, this bill moves us forward together, Republicans and Democrats' to guarantee the children of America the health care they need and deserve.

Our priority should be not merely to hold on to the gains of the past, but to see that all children have an access to decent coverage. Families with greater means should pay a fair share of the coverage. But every parent in America should have the opportunity to meet the health care needs of their children.

Quality health for children isn't just an interesting option or a nice idea. It is not just something we wish we could do. It is an obligation. It is something we have to do, and it is something we can do today. I look forward to working with my colleagues to make sure this very important legislation is enacted.

I commend the chairman of the Finance Committee and Senators GRASSLEY, ROCKEFELLER, and HATCH, who are putting the children of America first and reminding all of us of the responsibility we have for the most vulnerable Americans, the children. They have, over a considerable period, fashioned legislation that will make an enormous difference in not only the health of the neediest children but will also reduce the increasing disparity in our Nation. We have tried to make some progress in the area of education under the leadership of Senators BAUCUS, GRASSLEY, ROCKEFELLER, and HATCH. We are going to reduce another area of considerable disparity and that is among the neediest children in the Nation.

We are over the long term not only going to say we are going to have a healthier Nation because we are going to invest in children and make sure they will get a healthy start for their future, we are going to be a stronger nation because we are a healthier nation. Over a long period of time, this is obviously going to have important implications in terms of the quality of health not only of the children but of our Nation.

This is an enormously important day in the Senate. I thank the leadership for giving this the kind of priority in these first weeks and months of a new Congress. Senator REID had indicated this was a strong priority. It is an example of where we have had strong leadership in our Finance Committee. We have had strong leadership in the Budget Committee. There are scarce resources because of our involvement in Iraq, limited resources, but nonetheless, under the leadership of Senator CONRAD and with the strong support of our colleagues, we were able to get the commitment that we on this side of the aisle and the other side, with those courageous Republicans, are saying this is a matter of national priority. This is of national importance. We are moving ahead. I thank all of those Senators.

Having listened in our caucus, a number of our colleagues have been strong supporters of our leaders on the Finance Committee. I thank my col-

league and friend JOHN KERRY, among others. I thank all of those for bringing us to where we are today.

This is an enormously important occasion. I welcome the opportunity to speak to it.

I want to go back over the period when we saw the fashioning of this legislation a number of years ago. We have found this was just about the time the country was dealing with the issue of the tobacco settlement. There was a question about how we could use the resources that were going to be gained from the settlement. There was a great debate. Many in this body thought we ought to use it all for deficit reduction; we ought to give it back to the States and let them make the decision. But there were a number of bipartisan Senators saying: No, let's make sure that we develop what is an extremely important need, and that is health care for children. There was a recognition that in 1965, with the passage of Medicaid legislation, we tried to take care—we still don't include all the children who should be there—of the poorest of the poor children. We said at that time, as a matter of national policy, that we as a country were going to give focus to the neediest in our country. It was the Medicaid program for the neediest, but a special attention was given to children in the Medicaid program. That was matched with dedication and commitment in the development of a title I program to deal with education for the neediest children in our country. Those went along together, and we are coming back to the point where we are doing that under these circumstances. So this legislation is important, and I welcome the chance to say these words.

I wish to also point out, as others have pointed out, the area of need. We know we are making a downpayment on the area of need, but we still have a long way to go if we are serious about including all the children who are eligible. We need to take care of the neediest children in Medicaid.

But then we need to look at those in our economy who are working hard, playing by the rules but who cannot afford health care for their children. Those are the ones who are reaching \$18,000 or \$20,000, up to \$35,000, \$38,000, \$40,000 a year, depending on what part of the country they are in. We find out that those are the individuals and those are the families who are the most hard-pressed in any event to afford health care. We know the cost of \$8,000, \$9,000 per family for health care. We know the challenges those families are facing, and we know the increasing number of those families who are being dropped from health insurance.

This program was to try to build upon the Medicaid Program and then have the CHIP program going, taking care of all children in this country, and to take care of working families—maybe the working poor but, more accurately, working families—to make sure their children were going to be at-

tended to. This, I believe, is where this legislation is targeted. These families are working hard. They are part of our American system. They are playing by the rules. But affording that protection is not available to them. The CHIP program reaches out to them. Some can say: Well, this is an expensive program. I have listened to all my colleagues. I have listened to Senator WYDEN from the State of Oregon speak eloquently about this issue. We need to remind ourselves this body is about trying to define priorities. What are the Nation's priorities? What is important to us? We are here to try to give focus and attention and direction to the areas of greatest need.

What our bipartisan leadership today is saying is the area of greatest need is the children. In this case, the children are members of working families who are virtually unable to get that kind of focus and attention and coverage unless they have access to this program.

What are greater priorities than education and health care focused on our children? We still know there is more to be done. So I welcome this opportunity to speak. I wished to spend a little time speaking on this issue. I have referred to how this whole program has reduced health disparities among children and also how it has reduced disparities on the basis of race in our communities across the country. It was not focused on that, but that was the unintended consequence. So this legislation is a matter of enormous importance.

Finally, I would say, as to this program, if we are interested in educating the children of this country, we have to make sure the children can hear the teacher. We have to be able to make sure the children are going to be able to see the blackboard. We have to make sure the children have proper dental care. I commend, particularly, the efforts they have made in dental care for children in this program. It is not mandated, but there are resources here to encourage the development of these dental programs. We are all aware that dental plans are some of the first to leave. We have seen the number of children out there with deterioration of their teeth, with all kinds of consequences. As we all read in the Washington Post not long ago, some children actually lost their lives.

So I thank those who have been a part of this process. I commend all of them. This is a very worthwhile effort. I am hopeful it will be very successful.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Mr. President, I now recognize the chairman of the Senate Budget Committee, Senator CONRAD from North Dakota, for 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank the chairman of the Finance Committee not only for this recognition but for his leadership in putting this

legislation together. This has not been easy to do. It has been extraordinarily challenging. We wish to thank Senator BAUCUS, the chairman of the Finance Committee, for his diligent effort and his advocacy for this program. I also thank Senator ROCKEFELLER of West Virginia for the extraordinary effort he has made with respect to extending children's health insurance in this Nation. I also recognize, on the other side, Senator HATCH and Senator GRASSLEY.

We are now debating legislation to reauthorize the Children's Health Insurance Program, otherwise known as CHIP. This is one place where we should all be in agreement. To extend health care to our children has to be one of America's priorities. There is no greater moral obligation than providing for the least among us, especially our children. We also know providing health care for kids is a good investment because improving their health early on is an investment paid for over a lifetime. You get the return for a lifetime.

The bipartisan Children's Health Insurance Program has been extremely successful in getting kids covered and keeping them healthy. Experts across the country agree. Here is what one health care expert had to say about the Children's Health Insurance Program:

It is a simple idea: We invest in children's health care, and we get healthy children eager to learn and grow," said Dr. Rob Nordgren of Child Health Services of Manchester (New Hampshire). . . . Nordgren said children who get good health care, which begins early in life and continues without interruption, are less likely to need expensive interventions as adults.

What could be a simpler or more profound idea than that? You provide health care to children, and that is a gift that keeps on giving. It keeps on returning on the investment through that child's lifetime. This is a good investment.

There are 6.6 million children who now have health insurance because of the Children's Health Insurance Program. But 9 million children remain uninsured, and 6 million of these kids are eligible for the Children's Health Insurance Program or Medicaid right now, but we do not have the money to actually provide them the coverage. In this reauthorization, Congress simply needs to invest more to reach these kids.

But let's be clear. If we do not act, we are not only losing an opportunity to get more kids covered—if we freeze the current program, by 2012, there will be over 1.4 million fewer children covered simply because of a lack of funds.

Here are some facts about this bill.

First, it provides health insurance for 4 million more uninsured kids, children who would otherwise go without coverage. To bring it closer to home, this bill will mean an increase in funding for North Dakota to get more kids covered. In fact, North Dakota's allotment will almost double, from about \$7.7 million now to over \$13 million next year. This will allow the State to

cover 1,450 more children over the next two years.

Second, I think it is important to note this bill is fully paid for over 6 and 11 years. Therefore, it fully complies with pay-go. We have heard some other ideas here. As chairman of the Budget Committee, let me be clear, this bill fully meets its pay-go obligations. It also meets the other requirements of the Children's Health Insurance Program reserve fund set out in the 2008 budget resolution that allows for the reserve fund adjustment.

Third, it is a 5-year reauthorization. Congress will reauthorize in 2012 with new policies and with new offsets. Perhaps we will not even need a Children's Health Care Insurance Program by then because perhaps by then we will have reformed the way we deliver health care in this country.

I believe the time is right to do that, and certainly in this next 5 years, it will become more critical because we know we are on a course that is absolutely unsustainable. So my own conviction is we will be reforming health care during this period.

Fourth, reauthorizing the children's health program could actually spur action on broader health care reform. It is wrong that our Nation has over 40 million uninsured. We must do something to fix this problem. Having SCHIP in place for this next 5 years will serve as a bridge to what we all hope will be a brighter day of fundamental health care reform.

Now, let me conclude by saying, some have criticized this bill on budgetary grounds. To the extent that funding levels in the outyears are lower, it simply means we will have to pay for these costs during the next reauthorization. But that is the way it always works.

I have been stunned to hear some of my Republican colleagues complain that this bill sunsets at the end of 5 years. They say: Well, if the program continues beyond that 5 years, there will be a cost in those succeeding years. Well, of course that is true. But this bill is paid for, for the next 5 years, unlike what they did on their enormous tax cuts.

Look at this slide I have in the Chamber that shows what they did. These are the tax cuts, under current law, that they put in place, without paying for any of them, by the way. As shown on the chart, here is what it would cost to extend those tax cuts: \$421 billion in 2017—\$421 billion. That is shown on the chart. Here is what extending the CHIP program would cost by comparison. Do you see this little, tiny line at the bottom of the chart?

Now, our friends on the other side are complaining about that little gap. They say nothing about this yawning chasm created by them—\$4.1 trillion. They say nothing about that. But they complain about this tiny sliver to provide health care insurance for our kids. One has to ask: What priorities are those?

Again, this SCHIP funding is paid for. Overall, this bill sets us on a responsible path to get every child in America covered with health insurance. Four million fewer children will be without health insurance as a result of this legislation. We should be proud of that.

It is not socialized medicine, as some have asserted. The Children's Health Insurance Program and Medicaid are partnerships between States and the Federal Government. These programs use private doctors and private health plans to provide services. This is not socialized medicine.

The children's health program is successful. It was created with strong bipartisan support. Faith leaders, business groups, labor, insurers, health providers all support this reauthorization proposal.

Partisan politics should not get in the way of providing health care insurance for our kids. Goodness knows, if we cannot agree on anything else on the floor of this body, we should be able to agree on providing health care insurance for our kids.

America's children are counting on us. They deserve our very best and they deserve our support for this legislation. We cannot let them down. I hope all my colleagues are paying close attention to what is at stake. If they are, they will support this legislation.

Again, I thank the chairman of the committee, Senator BAUCUS, for his leadership and his untiring efforts and Senator ROCKEFELLER for, over and over, bringing the challenge of health care insurance for our kids to the attention not only of the committee but of the full Senate and of the country.

I thank the Chair and yield the floor.

Mr. BAUCUS. Mr. President, I yield 7 minutes to the Senator from Oregon, a very valuable member of the committee and a tireless advocate for good, solid health care.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized.

Mr. WYDEN. Mr. President, I don't want to turn this into a bouquet-tossing contest, but I do want to single out the bipartisan quartet: Chairman BAUCUS, Senator ROCKEFELLER, who is here, Senator GRASSLEY, and Senator HATCH. To carve out hours and hours, as the four of them have day after day, is evidence of their commitment. I just want them to know I am very much aware we would not be here today advocating for America's kids without their work and their effort to find common ground. I wish to start the day by praising the four of them.

Mr. BAUCUS. If the Senator will yield, I note the Senator from West Virginia is a very busy man and he could be doing other things, other meetings, and so forth, but he has decided to stay on the floor during all debate on this bill, and I think that is a testament to how strongly he is committed to getting this legislation passed, as well as the Senator from Oregon. The two of you could be vying for

who is an even stronger advocate for health care, and you both do a good job.

Mr. WYDEN. I thank you and all four of you for your efforts.

Mr. President, it seems to me this is the opening bell of round one in the fight to fix health care in America. Fixing health care is the premier domestic issue of our time.

Suffice it to say we heard in the Senate Finance Committee and we hear on the floor of the Senate every day that the current health care system cannot be sustained. The costs are going up too dramatically. The rapid growth of the elderly population is, of course, relentless, and the disadvantage our employers face every day competing in tough global markets cannot be sustained.

My sense is the challenge for the United States is twofold. One—and this is embodied by what Senator ROCKEFELLER, Senator BAUCUS, Senator HATCH, and Senator GRASSLEY are doing—is to meet the immediate needs of the most vulnerable Americans, immediately. It is obscene that millions of youngsters, in a country as rich and strong and prosperous as ours, go to bed at night without decent health care. The bipartisan effort of these four Senators is moving to erase this moral blot on our country. I am proud to be supporting the four of them in this effort.

But as we move to tackle these immediate needs of the most vulnerable Americans, let us also set about the task of trying to transform American health care. Senator BENNETT, a member of the Republican leadership, has joined me in this effort. We brought to the floor of the Senate the first bipartisan health reform bill in more than 13 years. As Senator ROCKEFELLER knows, as we are both admirers of the late John Chafee, his was the last, and Senator BENNETT and I want to work with colleagues to pick up on this effort. Senator BENNETT and I have tried to build on the bipartisanship embodied by Senator ROCKEFELLER, Senator HATCH, Senator BAUCUS, and Senator GRASSLEY.

What we are saying is that you need something of an ideological truce on health care in our country. I think my party has been right in saying you have to get everybody covered. It is the moral thing to do. If you don't do it, the people who are uninsured shift their bills to the insured. But I think colleagues on the other side of the aisle have had a point as well in saying that you just can't turn everything over to Government, that there is a role for the private sector. So Senator BENNETT and I are trying to pick up on the prospect of an ideological truce, just as Senators ROCKEFELLER, BAUCUS, GRASSLEY and HATCH have tried to do on the children's health program.

I can tell my colleagues, having served on the Senate Finance Committee through the markup, and through those weeks and weeks of dis-

cussion, that what Senator ROCKEFELLER and the other leaders of the Finance Committee had to do was a heavy lift. There are a lot of colleagues on our side of the aisle who wanted to spend more. They were interested in covering other groups of citizens. That was unacceptable to colleagues on the other side. So Senator ROCKEFELLER and Senator BAUCUS had to swallow hard; they had to make concessions on points that were important to them. That is what Senator BENNETT and I are trying to do in terms of transforming American health care. So I am glad Senator ROCKEFELLER and the group on the Finance Committee have brought us a bipartisan piece of legislation because it lays the groundwork, in my view, for going further.

I have a word for the administration on this point in particular: I am very hopeful they will join the bipartisan effort here in the Senate to find common ground. We know this bill has a long way to go. It will be considered by this body. The other body has other ideas with respect to how to tackle this issue.

I would say to the administration that there are a number of us on both sides of the aisle who want to work with them on a broader piece of health legislation. But to get to that broader piece of health legislation, you first have to deal with the needs of the children. In fact, in the budget resolution—and this has not been widely noticed—it specifically stipulates that the children's health program would come first, before there was an effort to deal with health issues in a broader way.

Now, I share the view of the administration with respect to the Tax Code in health care. It is a mess. It is regressive. It disproportionately rewards the most affluent in our society and promotes inefficiency at the same time. If you are a high-flying CEO, with today's Tax Code, you can go out and get a designer smile put on your face and write off the cost of every dime of that operation on your taxes. But if you are a hard-working woman in West Virginia or Oregon or elsewhere and your company doesn't have a health plan, you don't get anything out of the Tax Code.

So I am supportive of working with the administration in a bipartisan way to fix the Tax Code as it relates to health care and to fix the private marketplace. But you don't get there until you first deal with the needs of our children. So I want to be conciliatory, both with respect to the administration and with colleagues on both sides of the aisle. We have a big opportunity with this issue.

With respect to domestic issues, one of the biggest ones—the immigration legislation—obviously reached something of a standstill. If we can sustain this bipartisan effort for the country's most vulnerable—and I know of no one in the Senate—no one—who doesn't care about the well-being of our kids—if this effort can be sustained, there will be a broad berth for another effort

to move significantly to transform American health care.

Seven members of the Senate Finance Committee, during our discussion of the children's health program, specifically talked about the need to fix American health care. Senator CONRAD, the distinguished chairman of the Budget Committee, pointed out that over the next 5 years—the life of this program—there will be plenty of opportunities to transform American health care. Senator BENNETT and I are saying we want to do it in this session. We don't think we got elected to wait around for another 2, 3, 4 years to fix health care; we want to do it in this session.

We had a very promising hearing in the Senate Budget Committee where support for our efforts was demonstrated by both the chairman of the committee and the ranking minority member. I wish to underscore that even the Senate budget resolution makes clear that this program for children will be done first. As Senator BAUCUS and Senator ROCKEFELLER pointed out earlier, this is a question of reauthorizing existing Federal law. The country has already made the judgment that the needs of children are going to come first. But a lot of us are not going to say the job is done by passing one extremely important bill; that there will be more to do, there will be an opportunity to do it in a bipartisan way.

While he is on the floor, I want to thank Senator ROCKEFELLER, Senator BAUCUS, Senator GRASSLEY, and Senator HATCH.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. WYDEN. I ask unanimous consent for 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WYDEN. I just want to use it to thank our colleagues who are the principal architects of the children's health program. Because of those of us who would like to go further in this Congress, the bipartisanship the leaders of the Senate Finance Committee have shown is going to give us that kind of opportunity, if the administration will join this bipartisan effort as it goes through this body and the other body.

Mr. President, I yield the floor.

Mr. BAUCUS. Mr. President, I yield 1 minute to the Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I thank the Chair, and I thank the manager of the bill.

I wanted to pick up on a point Senator CONRAD made briefly. I want to get this so clear at the beginning of this whole amendment debate and whatever debate follows: The whole concept that somehow this Children's Health Insurance Program is a Government-run health care program—is wrong. Throw that out. It is completely and totally wrong. It is not even an entitlement program. It is a capped block grant program to the

States. It is optional. The States don't have to use it if they don't want to. All of them do, including the District of Columbia, but it is optional.

In virtually all cases, the CHIP programs as they are carried out by the States are funded through private insurance, very much the way it was done in the Medicare prescription drug benefit plan. Thirty-nine States only use private insurance. It has nothing to do with the Government-run health insurance program. It is health insurance under the private sector using insurance companies, private insurance companies.

Mr. President, I thank the Presiding Officer and yield the floor.

Mr. BAUCUS. Mr. President, I notice Senator DOLE on the floor. I don't know if she wishes to speak on this measure. I see Senator GRASSLEY is not on the floor, but I, on behalf of Senator GRASSLEY, will yield such time as the Senator would like to consume.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mrs. DOLE. Mr. President, I am perplexed by what is happening in the Senate these days. Many of my colleagues are calling for a huge tax on tobacco—a product purchased disproportionately more by lower income people. This tax hike is said to provide billions of dollars to expand SCHIP health care coverage for children whose families cannot afford insurance coverage. While I strongly support reauthorizing SCHIP, a massive and highly regressive tax increase on an already unstable product is a terribly irresponsible way to fund this important program. Furthermore, my home State of North Carolina, which has lost more manufacturing jobs than any other State and continues to undergo a difficult economic transition, stands to lose tremendously if the tobacco tax skyrockets.

I am fully aware that many of my colleagues view ganging up on tobacco and smokers as politically popular. I am not appealing to you to change your views on smoking, but I am urging you to acknowledge the reality that this tax increase is an irresponsible and fiscally unsound policy.

According to the Tax Foundation, no other Federal tax hurts the poor more than the cigarette tax. Of the 20 percent of the adult population that smokes, around half are in families earning less than 200 percent of the Federal poverty level. In other words, many of the families SCHIP is meant to help will be disproportionately hit by the Senate's proposed tax hike. In addition, tobacco sales have been declining 2 to 3 percent a year and are expected to be slashed by another 6 percent if the Federal excise tax is increased. Yet in order for this tax-hike trick to work, millions more Americans would have to actually take up smoking to foot the bill.

A recent ad in Roll Call from North Carolina-based R.J. Reynolds put it best:

Below that familiar picture of Uncle Sam pointing his finger, was the line "Congress Needs you to Smoke."

That is right. More than 22 million additional Americans will need to take up smoking to keep the SCHIP program running over the next decade.

Another example of how ill-conceived this proposal is: The Senate very well may approve legislation this year to force the FDA to regulate tobacco products.

That agency's staff and resources are already fully consumed by its mission of regulating food, medical devices, and pharmaceuticals. But if many in the Senate have their way, the FDA will soon take on tobacco.

It is no secret that the Senate FDA bill seeks to ultimately put many tobacco companies out of business. So it appears we are going to eliminate tobacco companies while simultaneously relying on the tax revenue from tobacco sales to fund children's health care.

If we are really serious about providing health care coverage to children in lower income families, this illogical plan clearly is not going to cut it. I oppose this tax hike plan not only because it is fiscally unsound but also because it unfairly hurts my State of North Carolina.

In recent years, the forces of the global marketplace have triggered a difficult economic transformation, and our traditional industries of furniture and textiles have shuttered the doors of their factories and mills, resulting in the loss of 194,000 manufacturing jobs. Tobacco, another long-time linchpin of North Carolina's prosperity, has also faced its share of challenges from offshore competition. However, this economic engine for North Carolina has endured, but it may collapse altogether if the Senate moves forward with the 61-cent increase on tobacco products.

Tobacco is woven into the fabric of my State like Texas and cattle or Iowa and corn. In North Carolina, tobacco is part of our history and culture. In fact, many of our State's great educational institutions and health care facilities are rooted in tobacco funding. Today, more than 255,000 North Carolinians rely on tobacco for their livelihood. These are not just folks in the fields and factories but also suppliers and retailers. The industry accounts for \$22 billion in value-added revenue, or 6 percent of North Carolina's economic activity.

Clearly, if the Senate indiscriminately picks this industry to foot the bill for additional Government spending, North Carolina suffers tremendously. According to Blake Brown, a widely respected agricultural economist at North Carolina State University, North Carolina would lose nearly \$16 million in farm production and at least \$540 million in decreased manufacturing; we would lose up to \$12.5 million in the State cigarette tax revenue; and we would lose \$10.3 million

from our portion of the master settlement agreement payment, which funds the bulk of our safe economic development programs.

In addition to North Carolina losing thousands of manufacturing jobs, supplier and retail jobs, State Agriculture Commissioner Steve Troxler says we could lose as many as 1,800 farm jobs. Compound these jobs and revenue losses with the looming threat of FDA regulation, and North Carolina is looking at what Commissioner Troxler calls a double whammy.

The rug is being pulled out from under us. Am I supposed to go back to my constituents, whose jobs are at stake, and say: Sorry, folks, Congress doesn't think you are taxed enough, so, yes, Congress raised taxes to the tune of \$35 billion at the expense of your jobs and farms? No single industry should be targeted and victimized by such unreasonable Federal regulations and taxes.

Let me be clear. Reauthorizing SCHIP has my strongest support. Since its creation in 1997, this program has lowered the number of uninsured children by almost 25 percent. As we seek to provide greater access to health care for all Americans, starting with children first is not only good policy but it is the right thing to do. However, this legislation is the wrong way to go, period.

I urge Senators to vote for the McConnell alternative. It responsibly restores SCHIP to its original content: helping low-income children. I am not asking my colleagues to sympathize with the tobacco industry and smokers. I am asking you to look at the Baucus bill for what it is: a massive tax hike that disproportionately impacts low-income people and an ill-conceived and unsound plan that unfairly targets a single industry and hurts the economy of several States.

Let's reauthorize SCHIP, but let's do it the right way.

Thank you, Mr. President.

The PRESIDING OFFICER (Mr. DURBIN). The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I wish to reserve time for Senators to speak. I ask unanimous consent that the following time be reserved for these Senators: CASEY, 5 minutes; STABENOW, 5 minutes; WHITEHOUSE, 5 minutes; BINGAMAN, 5 minutes; and myself, the remaining 5 minutes. I think that totals 25. How much time remains on this side?

The PRESIDING OFFICER. The Senator from Montana has 24 minutes remaining.

Mr. BAUCUS. Then I will cut myself down to 4 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Pennsylvania, Senator CASEY.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. CASEY. Mr. President, I thank Senator BAUCUS, my distinguished colleague from Montana, for not only the argument he is putting forth today on children's health insurance but in a special way his leadership on the Finance Committee.

On the question of children's health insurance, the Senate is confronted with a very serious matter, a matter that has long-term implications for millions of families and our economic security. I believe at least two questions must be asked and answered this week, and they are as follows:

Question 1: Will the Senate make a full commitment to the children of America and especially to their health care?

Secondly, does the Senate want America to have a high-skilled workforce in the future to compete in an ever-changing economy and a furiously competitive world economy?

For that reason and so many others, I thank the Senators in this Chamber who have provided the leadership on the Finance Committee, including Senator ROCKEFELLER, Senator BAUCUS and, many years ago, Senators KENNEDY and HATCH, who came together in a bipartisan way, as they are today, and Senator GRASSLEY, among others.

A lot of people watching today may ask what is this program we are talking about? We hear SCHIP, the acronym. Let's call it children's health insurance for short because the acronyms don't make a lot of sense sometimes. It is a 10-year program, where we have covered 6.6 million children, so they can have well-child visits, dental exams, preventive care, all of the things we see on this chart, when we are speaking about a well-child visit. Every child in America should have an opportunity to communicate, through their parents, with their physician. Every family should make sure that a child within their care gets six visits to the doctor in the first year of life, a complete record of physical exams, showing height, weight, and other milestones. They should have their hearing and vision checked. They should be checked for normal development, nutrition, sleep safety, infectious diseases and, of course, general preventive care. It is critically important that every child gets that, no matter what their income is or where they live in this country.

In Pennsylvania, we have had more than a 10-year experiment; we have had children's health insurance since 1993. I am proud that my father, Governor Casey, and every succeeding Governor, including Republican Governors Ridge and Schweiker, and Governor Rendell, a Democrat, who strongly supported it and tried to expand this important program.

Today, I wish to talk for a couple of minutes about the coverage overall across the country. In our State, it is 162,000 children. But across the country, even though we have covered well more than 6 million children, there are

still 9 million American children today who have no health insurance at all. Of those 9 million, 6 million of them are eligible right now for either the Children's Health Insurance Program or Medicaid. Of those 6 million eligible but not enrolled, 78 percent are from working families. Let me say that again: Seventy-eight percent of the children right now who are eligible for children's health insurance or Medicaid are from working families. We should remember that as we debate this issue. There is a lot of talk in this Chamber that has been misleading on that question.

We know what happens when a child has health insurance. They have access to preventive care, they perform better at school, and they are much more likely to have healthy emotional and social development. If we want—as I think every Member of the Senate wants—a skilled workforce in the future, that starts with giving quality early care and education to our children, giving them the blessing of health insurance so they can learn more now and earn more in this new century.

There are people out there saying: How do we pay for this? You are talking about an increase in children's health insurance. We pay for it by making sure we are increasing a tax that should be increased for this purpose—the tobacco tax—by 61 cents. We are going to have a long debate, and I will wrap up in a minute. When we have this debate today and in the next couple of days of this week, and when people come down to the Senate floor and talk about how much it is going to cost and why we should not do this, I ask them—especially those arguing against an increase—to hold up this pamphlet. This is the health care every Senator gets. They come in here and talk against this program and say they don't want to increase it. But I think every Senator who argues against it and says health care for Senators is a higher priority than health care for kids should hold up the health care they get, and they should thank the American people, and then they can go argue against this.

We have a long debate ahead of us. We will make sure that we make this a priority for the American people, the health care of our children.

Mr. BAUCUS. The Senator can speak longer if he wishes. He is very passionate. I ask unanimous consent for 5 more minutes for the Senator from Pennsylvania.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CASEY. My colleague from Montana gave me a lot more time and I appreciate that.

I think it is important that we talk about this program and talk about why some of the arguments have been framed and how they have been framed in the last couple of days. We have had a lot of bipartisanship here. A lot of

Members of the Republican caucus in the Senate have been brave and independent enough and have focused on the needs of children enough to break with the President to say that we respect your view, Mr. President, but we have to expand this program.

I appreciate that. I am grateful for their wisdom and leadership and their integrity. They have shown an ability, and both sides have to work together on this, to make sure that when we talk about the cost of this program—the President thinks we should only increase it by \$1 billion a year, when there is a consensus across the country, by far, and in this Chamber and across the way in the House to increase it by at least \$7 billion a year. That is the least we should do. I think we can go higher, but to get the job done we can compromise.

I think it is very important to remember when we are talking about these numbers, one thing is abundantly clear: The President's proposal is going to have one dramatic and irreversible impact for children, and this is a fact: By 2012, if President Bush gets his way on this issue, 800,000 American children will lose their health insurance. So I want those on the other side of the aisle who have not yet come around to the thinking of most of the Members of the Senate to remember that. You are just not voting for an increase that may help some children; you are voting to cut 800,000 children off of health insurance. I know we are going to hear from some Members of the Senate that terminology about socialized medicine and Government-run health care and all of that.

I ask them again to remember the health care they get as Senators when they go on about that point. The facts are otherwise when it comes to what we are talking about. For the Children's Health Insurance Program and for Medicaid beneficiaries, these are individuals who are covered through private managed-care plans, private insurance. In Pennsylvania, we have some nine private providers for the Children's Health Insurance Program. I defy anyone to tell us these American companies are part of some Government-run program they do not support.

The support on this issue is overwhelming. The American Medical Association, all of the pharmaceutical companies virtually have not only supported it but they are advertising in favor of it, and the private insurance companies and trade associations and so many other major American companies.

President Bush said he did not want to federalize this program. I don't understand it, though, because on the one hand, President Bush says he agrees the program has worked, and on the other hand he says he wants to cap it. I don't understand why he does that.

I think it is important for us to remember the benefits all of us have in this Chamber at this time on our own health insurance.

We are going to have a lot more time later this week to talk about other aspects of this legislation. I ask every parent out there who is watching this debate to remember for just a moment what happens to their child when they are sick and when they are hurt. Your first instinct is to hug your child and to give them all the warmth and support that you can provide them. But that is not enough. Often you have to take them to a doctor or to a hospital. But for the parents of children who don't have health insurance, all of the love they provide, the warmth and embrace of a hug is not enough either, and those families and those mothers and fathers are powerless to help their children and show the full measure of their love.

I ask my colleagues and those watching today to consider what this means for a child and his or her family and also what it means for America, for our workforce, and for our economy in the future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask that Senator STABENOW now be recognized to speak for 5 minutes, a very valuable member of our committee, very active member of our committee, and a fountain of ideas.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Ms. STABENOW. Mr. President, I first thank our chairman of the committee for his passion in caring for children, always keeping us focused as we brought together a bill that truly is a compromise in the best sense of the word. It is as we should be doing in the Senate, coming together with a number of perspectives and coming up with a final product. I thank the chairman for leading us in that effort and working with the ranking member. Together they have been a great team on this legislation.

The chairman has constantly said to us: It is about the children. It is about the children. Keeping us focused on what this is really about will allow us to come together in a very strong bipartisan vote for a very important bill.

I also thank Senator ROCKEFELLER for his passion in caring about children and his leadership in creating the children's health program. He and Senator HATCH have been a critical part of getting us to this point as well.

This is a step forward, and as with any compromise, it always involves give and take. I come from a State that

has received 1 of the 15 waivers to cover some adults in our State. That is being phased out. That is not my first preference, but it is a compromise. It is a way to recognize this is a children's health program, and we are all coming together and coming to the middle to work together to get a product that the vast majority of the Senate can support.

We are talking about a program for uninsured children, 78 percent of whom live in working families. So we are talking about moms and dads who are working one minimum wage job, maybe two, maybe three to make ends meet. We have helped that family by passing an increase in the minimum wage.

This second piece for families who are working very hard, who care about their families and want to make sure their children have the health care they need, is very critical to supporting working families. That is really what the Children's Health Insurance Program is all about.

In Michigan, according to the University of Michigan, the number of uninsured children in our State grew by 7 percent just in 4 years, between 2000 and 2004. At the same time, we have seen employer-based coverage cut back and more and more families paying more and more of the health care bill and more and more families, as well, relying on Medicaid.

Last year in Michigan, MICHild, which is the children's health program, one-third of the children relied on MICHild or Medicaid for health coverage. One-third of all the children in Michigan in a State of 9 million people were relying on the support of this program and other public programs under Medicaid to have the health care they need. Again, three-quarters of these children came from a home with at least one working parent. So this is very much a program for families who are working hard to make ends meet, families who go to bed at night and don't want to have to say a prayer that their kids don't get sick during the night or the next day. This allows families to have the integrity of work and know that their children are able to receive the care they need.

It is also very important to point out the fact that this is very much about rural families in Michigan and around the country, not just urban families. Certainly, we care about urban children, but we know that in Michigan, the fact is, the majority of dollars are going to rural communities. Thirty-two percent of all rural children receive our children's health care program or Medicaid, 32 percent as compared to 26 percent. So this is very important for children in every part of Michigan, as well as the country.

Because of the importance of the children's health program for so many families, I urge my colleagues not to listen to the negative attacks on this carefully crafted compromise as we move forward.

There are always challenges drafting a standard 5-year reauthorization and fitting it into a budget window. In this Congress, we have or will address several other 5-year reauthorizations: the farm bill, FDA prescription drug user fees, the Trade Adjustment Assistance Act, and the "Leave No Child Behind" education bill.

As a member of the Budget Committee, I remind my colleagues of the problems in advancing the administration's proposal for reauthorizing the children's health program. The Senate, in a bipartisan vote, rejected this proposal.

The President's fiscal year 2008 budget proposed less than half of the funding needed for states to cover existing children, let alone to make progress in covering more uninsured low-income children.

This would be a step backwards for our children. Under the President's budget, the number of States facing shortfalls in 2012 would increase to 46.

Enrollment of children and pregnant women over the course of a year would fall by 1.6 million by 2012.

This is not acceptable. We have a chance before us to make a real difference in the lives of millions of children, many of whom are in working families.

We all made compromises on moving CHIP forward. For example, I want to work out something that keeps my State whole, but I recognize the need to continue to work in the bipartisan spirit that created CHIP in the first place.

I know some of my colleagues want to debate a whole other set of options. We should have a full debate on health care, but this is the opportunity to cover more children.

We are eager to tackle many pressing issues, especially a plan for small businesses. But the Children's Health Insurance Program expires at the end of September. Right now, we must focus our energy on reauthorizing this successful program.

Let us remember the bipartisan spirit that created this great program for our Nation's children. CHIP is a great success story that we can all be proud of.

I know my time is up, my short 5 minutes are up. I again urge all my colleagues to join us in what truly is a wonderful, bipartisan effort to cover children with health care in the United States.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the time on our side be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I first wish to pay tribute to the distinguished chairman of the Finance Committee and the distinguished ranking

member and Senator ROCKEFELLER, Senator SNOWE—so many people—Senator KENNEDY, others on the committee, Senator STABENOW, Senator WYDEN, folks on our side who have really stood up on this issue, the CHIP issue, Senator SNOWE in particular, Senator SMITH—I could go right on down the line—Senator ROBERTS who has been a stalwart. I don't want to leave anybody out.

This has been the result of tremendous negotiations over a long period of time, meeting virtually every day, led by the distinguished chairman of the committee. We have lots of issues, lots of difficulties, lots of past experience, mistakes that were made by the administration that have caused us a lot of problems, and yet a desire on the part of virtually everybody to try and do what is right for our children who basically are not being helped by our current health care system.

As we know, the CHIP bill works remarkably well. Hardly anybody I know has found fault with the way it has operated. The big problem is that we spent \$40 billion over the 10-year authorization of CHIP, from 1997 to today, and it expires this September. But the costs of trying to bring on the additional kids who qualify to this program and the extra costs that have been caused by the administration issuing waivers, which has resulted in at least one or two States having more adults on the program than children, has caused some difficulties. We think we have resolved some of those problems, and we hope the vast majority of Senators will recognize that and vote for this bill.

We know the House bill is going to be off-the-charts expensive. Frankly, this is the bill people ought to look at, they ought to support, and I believe we ought to support wholeheartedly because we are trying to help the children of this country who are the least likely to be helped because they do not vote.

The CHIP bill has helped millions of children, there is no question about it. It was originally decided to help the children of the working poor who were the only kids left out of the process. The poor children were helped by Medicaid, and, of course, those in the middle class or above were able to afford their own health insurance. But these kids were left out of the program and, of course, left out of basic health care. We have been able to resolve many of those difficulties through the original CHIP program. In this program, we will do away with waivers. We can't do away with some of the grandfathered people who are on CHIP right now, but we will get childless adults out of the program, and we will bring into the program pregnant women, which we did not do before.

When we did the original CHIP bill, I was against bringing them in because of the high cost of the bill at that time. That bill cost \$40 billion over 10 years. This bill will cost \$60 billion over 5.

But the reason for the original cost happened to be not only inflation, but also the outreach programs that were included, and the fact that we weren't covering upwards of 3 million children. Some estimate even more under the original CHIP program.

My personal belief is, if we cover these children properly, we will save billions of dollars in the long run. We will save more than what it costs us to take care of these kids. But even if we didn't, we still ought to be taking care of these children who basically are not problems to society but can be great contributors to society if they are healthy. If we don't take care of them while they are in their youth, it is very likely they will not be as healthy as they otherwise would be and, in the end, they would cost more money than if we had faced the music and done what is right now. That is why this CHIP bill is so important.

Again, I want to compliment and thank all of those who have participated in bringing this bill about.

Mr. President, I understand Senator LOTT wants to speak at 4:30. I have another set of remarks I would like to make. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I believe under the agreements that have been worked out I am going to speak at this time with regard to the SCHIP issue.

The PRESIDING OFFICER. The Senator may proceed.

Mr. LOTT. Mr. President, let me first emphasize that we will have a motion to proceed to the State Children's Health Insurance Program this afternoon, and Republicans and Democrats will vote for that procedural motion to go forward because all of us support reauthorization of the so-called SCHIP program, which is Washington speak for State Children's Health Insurance Program.

This is a classic example of how no good deed goes unpunished because I remember when this program was developed legislatively on the Senate floor. The Senator from Utah was a key player. I remember some of the exchanges that were made at the time with Senator HATCH talking and Senator KENNEDY and Senator Phil Gramm when we created this program. This was about, I guess, 10 years ago or so. We created it because we did believe there was a need in America for children to have health assistance—a health insurance program—particularly low-income children.

There were a large number of children who were not then covered, so it was well intentioned, and everybody wanted to go forward with a program

that would cover these children so their health needs could be addressed and so they could live healthier lives.

I just heard Senator HATCH make the point that if we don't have this type of health insurance available for children in critical times, a longer term cost will greatly exceed what the cost might be for the program at this time. So we were in it together. We created it at a time when we had a Republican majority in the Congress and a Democratic President in the White House. It was generally a bipartisan effort, and we created a good program that was targeted. It was expensive, but we believed it was important that we get this done.

Now, since that time, this program has continued to grow, and we have seen States start adding not only higher and higher levels of income for these children to be covered—up now to, I think, 350 percent of poverty in some States, and another State now is actually trying to get it up to 400 percent of poverty, which certainly is not low-income children. That is middle-income coverage. That would cover children in the range of a family of three making \$60,000 to \$70,000 a year. So that has really started causing problems, with the higher and higher level of income for children and adults being included. That was never the intent.

The core mission of this program was for children to get this help, but more and more States have included adults, and not just the pregnant mother but the parents and even adults beyond that in some of these States that have gotten waivers. It is going to be argued by some Senators, Senator GRASSLEY and probably Senator BAUCUS, that a lot of this problem has been caused by this administration—probably the previous administration but certainly this administration—by giving waivers to the States to begin to cover a higher and higher income level of children and adults. That is a legitimate criticism. They shouldn't have done it, and they shouldn't have done it the way they did. And certainly they shouldn't have done it repeatedly. I don't know how many States have gotten waivers now—14, 16 States, something of that nature, and more to come probably.

Some people at the Department of HHS will say: Well, we don't have much discretion under the waiver. I don't believe that is true, and certainly they had more discretion than they exercised. So the program now, with these waivers, has got lots of problems, and that is why I oppose it in its current form.

Let me first talk about the Baucus bill and give the reasons I am opposed to it. The baseline for this children's health program is \$25 billion over 5 years—\$25 billion. I believe the President, and these are general numbers, but I think the President asked for basically a \$5 billion increase over those 5 years, which would have brought it up to the \$30 billion range. I was thinking in committee that was not enough;

that we were going to have to go higher so that we could try to cover those children now covered in the program, realizing some who would be eligible are not covered because, No. 1, they may not have applied, No. 2, they are covered by private insurance, and No. 3, they were covered by Medicaid. But it was clear to me it was going to take more money in order to cover the children we really intended to cover than the basic of \$25 billion.

Now, I thought we were going to be talking in the range of \$7 billion or \$8 billion, and I still believe that is the right number to continue to cover those children who are now covered by the program. The bill we have before us, though, has risen by \$35 billion above the so-called baseline for a total of \$60 billion over 5 years—\$60 billion. A program that was originally intended for low-income children to get this health insurance, certainly never intended to be \$25 billion, now in this bill would be \$60 billion over 5 years, and explosive in the outyears. And this is before we go to conference with the House. The House is talking \$70 billion to \$100 billion.

So even though one might say: Well, this bill has gone way too far, this is the new baseline, if we pass it at \$60 billion, it will only go up. What will it be, \$70 billion, \$80 billion, \$90 billion for this program—only for this program? And by the way, a program that will include adults and will include children probably certainly well above 200 percent of poverty.

That is why we have an alternative that will make sure we cover those children we originally intended to cover and children now under the program, but we did not want this sort of doubling of the size of the program in the next 5 years. Ours would even provide for a 33-percent increase over the next 5 years. We have a real problem. It is a massive spending increase. It uses certain budget considerations to deal with what happens after the fifth year.

Some people say: Well, there will be time to change that. But nobody really believes that once you build a program, like this chart shows, that goes up, up, and up, and then all of a sudden when it reaches a certain level, it drops back down. It won't do that. It will continue to go up. And therein is the second part of the problem.

How do you pay for this? The bill before us has tax increases in the \$61 billion to \$70 billion range. I believe that is accurate, but a minimum of \$61 billion, with that coming from a tax on cigarettes and other tobacco products. The fact is, when you tax something with that much of an increase, which takes it up to a full dollar from the current 39 cents, that is a huge increase. When you have that kind of increase, a dollar a pack on cigarettes, what you are going to get is less revenue. So at a time when the cost of the program is going up, the revenue that is actually going to be coming in is going down. That is a prescription for huge budget problems.

Of course, the argument again is, well, that is down the road; we will have time to fix that later on. But one of my concerns about the program as it is now is that it also will actually be taking children now on private insurance—children who have coverage—and they will be going off private insurance coverage and going into the so-called SCHIP program. There are an estimated 600,000 children—and I don't know how you estimate those numbers, which I suspect are low—but a large number of kids, up to perhaps as many as 2.1 million, will be moved from private health insurance programs to the Government-run health care program.

So here we have a massive spending increase, we have a program that will be taking children now covered off of private insurance and moving them on to a government program, and you have a massive tax increase.

We will have an alternative that reauthorizes the program, keeps it focused on the core mission of low-income children, which does increase funding generously, by as much as 33 percent, and avoids the huge tax increase. And the revenue it brings in is real, not a revenue that will be on a declining basis. It will give, additionally, millions of Americans access to health insurance through the small business health plans and includes reforms in the health savings accounts.

Mr. President, I know we have a number of Senators lined up to speak, but I just wanted to begin to point out some of the basic problems of how we got here, what is in this bill, and the fact that we will have an alternative that I believe is better than the one that was reported by the Finance Committee.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The minority leader.

Mr. McCONNELL. Mr. President, are we under controlled time?

The PRESIDING OFFICER. Yes. The Senator from Iowa on the minority side controls 40 minutes.

Mr. McCONNELL. I yield myself 10 minutes of my leader time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, 10 years ago a Republican-controlled Congress created and passed the State Children's Health Insurance Program. It targets the health care needs of poor children whose families make too much to be eligible for Medicaid but are still in danger of not being able to afford private health insurance.

In many ways, this program, SCHIP, is a remarkable success. The rate of children in America living without health insurance dropped 25 percent from 1996 to 2005. Last year, 6.6 million children had health care coverage thanks to SCHIP, including more than 50,000 in the Commonwealth of Kentucky. Those are some truly astounding numbers.

There is a lot of good in the current SCHIP law that we should reauthorize,

but at the same time, we should also modernize and improve it.

Our goal should be to continue to target those low-income children who fall between the cracks and go without health insurance. And we should seek out those children who are eligible for SCHIP, but currently go without, and bring them into the program.

Unfortunately, I have serious concerns with the bill that the Finance Committee sent to the floor. I do appreciate all the hard work of the ranking member, Senator GRASSLEY, as well as Senator HATCH, who is one of the original authors of this program. However, the committee's bill is a dramatic departure from current SCHIP law: It will significantly raise taxes, increase spending, and lead to government-run health insurance.

Funding for this proposed massive increase in spending relies not just on a massive tax increase, but also on a budgeting gimmick. Their plan will increase SCHIP spending every year for the next 5 years, with projected spending of \$8.4 billion in 2012.

Then suddenly in 2013, like magic, spending would drop to only \$400 million—a decrease of \$8 billion in one year. That's not because the funds won't be needed—rather, it is a sleight of hand needed to fit the program within the bill's funding limits.

But does anyone seriously think Congress will decide to cut SCHIP by \$8 billion in one year, so that millions who rely on it will lose their health insurance? Of course not. Future Congresses will go back and spend more, and this proposal will end up costing exponentially more than its current price tag.

Under this scenario, the Congressional Budget Office estimates the total cost of this bill over the period from 2008 to 2017 is actually \$112 billion—\$41 billion more than the advertised price.

And most of this increase will go toward people that SCHIP was never meant to cover.

The expansion proposal we are considering here on the floor will allow SCHIP coverage to extend to families with incomes as high as 400 percent of the Federal poverty level—even though 89 percent of children in families with incomes as high as 300 to 400 percent of the Federal poverty level already have private coverage.

The bill also includes a tax increase, when the American people are already taxed too much. So I hope we will have a free, open debate on this bill, and every Senator will be allowed to offer ideas to improve it.

Senators LOTT, KYL, GREGG, BUNNING and I will propose an alternative measure called the Kids First Act. It refocuses SCHIP to help the people it was designed to help: low-income children.

While considerably less expensive to the taxpayers than the Finance Committee's bill, it's worth noting that many States, including Kentucky, would fare better next year under the

Kids First Act than under the committee bill.

Our plan is fiscally responsible and focuses Government assistance on those who really need it. I urge all of my colleagues to seriously consider it.

Many Senators have also worked exceedingly hard to craft comprehensive measures addressing the uninsured in America. I applaud their efforts, and look forward to having a full and open debate on the Senate floor about their ideas.

I especially want to recognize Senators BURR, COBURN, CORKER, DEMINT and MARTINEZ for their work in this regard.

As we begin to consider SCHIP legislation, this Senate should focus on reauthorizing a program that works, instead of transforming it into a license for higher taxes, higher spending, and another giant leap toward government-run health care.

Legislation like that will not receive a Presidential signature. But this Senate can craft something that will. Let's work toward that and produce a bill that focuses on the true goals of SCHIP—providing a safety net for kids in low-income families.

I also have here an editorial from today's Wall Street Journal that describes many of the problems with the committee's bill I just detailed. I ask unanimous consent that it be printed in the RECORD.

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

[From the Wall Street Journal, July 30, 2007]

THE NEWEST ENTITLEMENT

The State Children's Health Insurance Program sounds like the epitome of good government: Who could be against health care for children? The answer is anyone who worries about one more middle-class taxpayer entitlement and a further slide to a government takeover of health care. Yet Schip is sailing toward a major expansion with almost no media scrutiny, and with Republicans in Congress running for cover.

Schip was enacted in 1997 to help insure children from working-poor families who make too much to qualify for Medicaid. In the intervening years, the program reduced the rate of uninsured kids by about 25 percent but has also grown to cover the middle class and even many adults—and it gets bigger every year. Schip expires in September without reauthorization, and Congressional Democrats want to enlarge its \$35 billion budget by at least \$60 billion over five years.

State Governors from both parties are also leading the charge—and for their own self-interested reasons. Schip money is delivered as a block grant, which the states match while designing their own insurance programs. All cost overruns, however, are billed to the federal government, which is on the hook for about 70 percent of Schip's "matching rate." This offers incentives for state politicians to make generous promises and shift the costs to the feds, or to toy around with costly universal health-care experiments. And since the states only get 57 cents on the dollar for Medicaid, they are working hard to transfer those recipients to Schip.

This self-interest explains a recent letter from the National Governors Association demanding "urgent action" on Schip, which got lots of favorable play in the press. Yet

these are the same Governors who have been moaning for years about rising entitlement burdens, which is what Schip will be soon enough. Particularly egregious was the signature on the letter of Minnesota Governor Tim Pawlenty, a Republican who regards himself a conservative health-care maven and should know better.

This "bipartisan" cover is serving Democrats in Congress, who want to liberalize Schip eligibility as part of their march to national health care. The Senate Finance Committee has voted 17-4 to increase Schip spending to at least \$112 billion over 10 years. Not only does it use a budget trick to hide a payment hole of at least \$30 billion, it proposes to offset the increase by bumping up the cigarette tax by 61 cents to \$1 a pack.

House Democrats are putting the finishing touches on their own plan, making the cigarette tax somewhat lower to win over tobacco-state Members. Instead, the House is proposing to steal nearly \$50 billion from Medicare Advantage, the innovative attempt to bring private competition to senior health care.

Michigan's John Dingell explains that "these are not cuts" but "reductions in completely unjustified overpayments"—which will come as news to insurers that offered coverage plans based on certain funding expectations. The "overpayments" he's referring to were passed expressly as an incentive for companies to offer Medicare Advantage in rural areas with traditionally fewer insurance options—and are intended to be phased out over time. Democrats apparently want to starve any private option for Medicare.

In any case, the actual costs of Schip will overwhelm these financing gimmicks. Like all government insurance, Schip is "covering" more children by displacing private insurance. According to the Congressional Budget Office, for every 100 children who are enrolled in the proposed Schip expansion, there will be a corresponding reduction in private insurance for between 25 and 50 children. Although there is a net increase in coverage, it comes by eroding the private system.

This crowd-out effect is magnified moving up the income scale. In 2005, 77 percent of children between 200 percent and 300 percent of the poverty level already had private insurance, which is where the Senate compromise wants to move Schip participation. New York State is moving to 400 percent of poverty, or some \$82,000 in annual income. All of this betrays the fact that the real political objective of Schip is more government control—HillaryCare on the installment plan.

We'd have thought Capitol Hill Republicans would understand all this, especially with the White House vowing to veto any big Schip expansion. But we hear the GOP lacks the Senate votes for a filibuster and perhaps even to sustain a veto. GOP Senators Mitch McConnell and Jon Kyl are backing an alternative to account for population growth and reach the remaining 689,000 uninsured children that Schip was intended to help. Republicans would be wise to support this version, or they'll take one more step to returning to their historic minority party status as tax collectors for the welfare state.

THE PRESIDING OFFICER (Ms. STABENOW). The Senator from Utah.

Mr. HATCH. Madam President, I ask unanimous consent that my remarks be printed in another place in the RECORD and the time be charged against our amendment.

THE PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. HATCH are printed in today's RECORD under "Morning Business.")

Mr. HATCH. Madam President, I ask unanimous consent that I be permitted to yield 2 minutes to the distinguished Senator from New Mexico; that then I be able to complete my remarks on CHIP after he is done.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. First, let me thank the distinguished Senator profusely. I thought it would not be appropriate to let the SCHIP legislation proceed without some comments about how it got started.

Actually, in 1992, when I was chairman of the Senate Budget Committee, I helped to create the State Children's Health Insurance Program, also known as SCHIP, as part of the Balanced Budget Act, believe it or not.

The program has been a success. The number of children without insurance has declined by a very large amount. The Senate Finance Committee has approved a reauthorization of SCHIP, and the full Senate will take it up this week. The bill increases 5-year funding for the program from \$25 billion to \$60 billion. The \$35 billion expansion is paid for in full by taxes on tobacco products.

In the current form, I will support the Finance Committee-passed bill. I suggest that many should. In my home State's problem with uninsured children, recent reports have New Mexico at the bottom in the Nation in coverage of these children. About 100,000 children in my State are without insurance, 25 percent of the adolescent population.

I have many concerns with the cost of this bill and the way it is paid for. However, I am willing to spend the next 5 years working on these concerns.

If the bill is substantially changed or expanded during debate this week in the Senate, or if it is significantly changed during conference with the House, they can count me out; I will no longer support it. This is about the size we ought to support, to handle our money properly and to create a program that may very well be one of those that will help us immensely with insurance for adolescents and children.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I compliment the distinguished Senator from New Mexico for his remarks. I personally appreciate them.

Mr. BAUCUS. I wish to also compliment the Senator from New Mexico.

Mr. HATCH. Madam President, this week the Senate will focus on how to reauthorize and finance the CHIP program.

Therefore, I would like to take some time on the Senate floor today to lay the groundwork for that process by examining the history of the CHIP program and the successes it has had over the last decade.

The Balanced Budget Act of 1997—BBA 97—created CHIP as Title XXI of

the Social Security Act. Today, all 50 States, the District of Columbia and five territories have CHIP programs. As is allowed by the law, 17 States use Medicaid expansions, 18 States use separate State programs and 21 States use a combination approach of both their Medicaid program and the State program.

The CHIP program is financed through both the federal and State governments and is overseen by the States. States receive an enhanced federal match for the CHIP program. This federal match is significantly higher than the federal match that States receive through the Medicaid program.

The Medicaid federal medical assistance percentage, known as F-MAP, ranges between 50 percent and 76 percent in fiscal year 2006; the CHIP F-MAP ranges from 65 percent to 83.2 percent.

Through BBA 97, approximately \$40 billion in federal funding was appropriated for the CHIP program. Overall, States have spent \$10.1 billion dollars since it was first implemented through September 30, 2005.

Today, approximately 6.2 million children have their health insurance coverage through the CHIP program. As one of the original authors of the CHIP program with Senator KENNEDY, Senator ROCKEFELLER, and the late Senator Chafee, I am very proud of the program's successes and I want these successes to continue.

When we drafted this legislation in 1997, our goal was to cover the several million children who had no insurance coverage. Their families were too rich to qualify for Medicaid; however, their families did not have enough money to purchase private health insurance. We have gone a long way in meeting that goal, but we are clearly not there yet. Coverage of these uninsured children is still my top priority.

I have always believed that we shouldn't even consider expanding this program to other populations until we have covered all children who do not have health care coverage.

Unfortunately, that has not been the case and a program that was created for low-income children has covered childless adults, parents of CHIP-eligible children and pregnant women. How has this happened?

Both the Clinton and Bush administrations granted waivers to States to cover adults, something that I strongly oppose. Today, 11 States cover parents through State waivers and six States cover childless adults in CHIP through State CHIP waivers.

When Senator ROCKEFELLER, Senator KENNEDY, Senator Chafee and I worked on the original legislation in 1997, our goal was to cover the several million children who had no health insurance, but I believe that the bill before the Senate today makes great progress in this area.

I believe the bill the Senate is considering this week captures the true essence of the 1997 law and builds on that

foundation to insure even more children.

That, indeed, should be our purpose.

The bill drafted by Finance Committee Chairman BAUCUS, Finance Ranking Republican Member GRASSLEY, Finance Health Subcommittee Chairman ROCKEFELLER and myself is the very essence of compromise.

To be fair, it does not make any of us Republicans comfortable to face a veto threat from our President.

It does not make me comfortable to face a veto threat issued by my colleague and good friend from Utah, Secretary Leavitt.

It does not make me comfortable to advocate for such a large amount in new spending.

At the same time, I know none of you on the other side of the aisle are comfortable with the fact that we did not authorize spending up to the \$50 billion limit in the budget resolution. Many of my Democrat colleagues made sacrifices in endorsing this bill and in sacrificing program expansions they so dearly advocated.

Senator KENNEDY and I often like to joke with each other that if neither side is totally comfortable with one of our compromises, we must have done a good job.

And in that spirit, I say to my colleagues, we must have done a good job.

This bill will make it all about the kids. That was our goal, and we achieved it. Our bill will provide health coverage to 2.7 million of the 6 million currently uninsured, low-income children who are 200 percent of the Federal poverty level and below.

I want to circle back to the cost of this bill.

I remember so well my conversations with my colleagues in 1997 about the cost of the original CHIP bill and the precedent it could represent.

We must recognize that we have already covered the kids who are easy to find. Six million of them to be exact.

We can all be proud of that.

But one of the lessons we have learned along the way is that it will cost proportionately more to cover the remaining children. They are harder to find and thus harder to cover.

This is what CBO told us.

So you can't do the simple math and say:

It costs \$40 billion to cover 6 million kids, so it should cost \$40 billion to cover the remaining 6 million kids. It doesn't work that way.

CBO told us that we need to give States more money to cover these new uninsured children, and that is what we have done.

We have made a number of other important decisions in this bill.

We have restored the program back to its intent to cover children, not adults. This was a hard decision for Senators from States with adult waivers, and I commend them for their commitment to the children.

The legislation before the committee removes childless adults from the CHIP

program by the end of FY09 and afterwards, gives the States the option of covering these individuals through Medicaid.

It also prohibits the approval of any new State waivers for parents to be covered through CHIP.

Only parents living in states with approved parent waivers will be eligible for health coverage through the CHIP program.

The next tough issue was the coverage of pregnant women. While I was not opposed to this in theory, in practice we all know that the cost of one delivery could fund insurance for three or four children. That is why I opposed this coverage in 1997.

I have been convinced that States should have the option of covering pregnant women through the CHIP program. This was a difficult decision for me and, again, a true compromise.

Third, we included money for outreach and enrollment. This is key for enrollment, but as we found out, it is very expensive. So we made the decision to place a limit on the amount of money dedicated to these efforts.

Fourth, our legislation includes premium assistance through CHIP for coverage through private plans. And if it is determined that family coverage would be more cost efficient, the entire family would be covered through this health plan.

This is something that was very important to me and Senator GRASSLEY. Utah has started such a program with the hopes of providing affordable coverage to an entire family.

Fifth, our legislation includes a cap of 300 percent of the Federal poverty level for eligibility in CHIP. If a State provides CHIP coverage above that level, it will not receive the enhanced match. States with higher eligibility levels when this legislation becomes law would be grandfathered in.

Finally, I am pleased that this bill changes the name SCHIP back to CHIP, the way it was before the House added the superfluous S.

Madam President, this is a good bill. It accomplishes what we have set out to do—to take care of the children.

Yes, I wish it did not cost what it does, but I am persuaded this is necessary spending when I think of the 6 million American children who are leading healthier lives because of our vision and commitment.

We should not let the opportunity pass us by to build on that solid foundation and do even more good for the children, our future.

I will add one more point that I want my Republican colleagues to take to heart. This is a bipartisan compromise bill. It is not like the legislation being considered by the House of Representatives that will cost up to an additional \$50 billion to reauthorize the CHIP program over the next 5 years.

In my opinion, the Senate version of this legislation is the better deal for the American people, and it is my hope that my colleagues who disagree will take one more look at this legislation.

I urge my colleagues to support the motion to proceed to this bill.

I hope in the final analysis, once we do proceed, our colleagues will vote for the bill because it is the right thing to do.

How much time do we have remaining on both sides?

The PRESIDING OFFICER. The minority has 9½ minutes, and the majority has 6½ minutes.

Mr. HATCH. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I yield 4 minutes to the Senator from Rhode Island and ask unanimous consent that notwithstanding the quorum calls, I be recognized for 2 minutes immediately prior to the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island.

Mr. WHITEHOUSE. Madam President, I thank Chairman BAUCUS and Ranking Member GRASSLEY and the distinguished Senator from Utah, Mr. HATCH, who have been so energetic in preserving, enhancing, and protecting this plan. Rhode Island has a significant role, going back to the days of John Chafee, whose name has been mentioned by Senator HATCH, and, of course, through Senator JACK REED, whose relentless advocacy for this program is a legend on this floor.

My time is very short, so I will speak to a very simple point and come back and speak more to the children's health issue later in the debate.

It strikes me, as a new legislator, that legislating is about choices. The distinguished Senator from Utah said this bill is expensive, but it is the right thing to do. I would like to show two charts to help illustrate the expense in some context.

This is a chart which illustrates the additional cost we are talking about for children's health care in America, the subject we are debating in these increments, the increase over the next 3 years. The chart compares it to the cost to all of us of the Bush tax cuts going to the 1 percent of the richest Americans. So is it expensive to spend \$2.1 billion on children's health care in 2008? It probably is. And is it expensive to spend \$5 billion on children's health care, increasing it in 2009? Is it expensive to spend \$7.9 billion? It probably is. But this is an administration which is happy to spend \$70 billion on the richest 1 percent of America in the same year that they are fighting about \$2.1 billion to improve health care for children. They are willing to spend \$72 billion in the following year and \$82 billion after that. So in the context of comparing expense to doing the right thing, it is a little bit expensive, but is it ever the right thing, particularly in a world where we are judged by our choices.

Here is another demonstration of really the same principle. We are talking about a cost spread over 5 years to help America's children have health in-

surance. By comparison, the interest alone on the Federal debt George Bush ran up with his tax cuts to the rich, just the interest expense in the fiscal year 2007, is more than that. It is \$46 billion. This administration is fighting about whether we should spend \$35.2 billion over 5 years for children's health insurance, poor children's health insurance, versus the Gulf Stream gazillionaires' tax breaks.

If you look to the President for leadership, you don't find it. What you find in his budget is \$5 billion across the whole period instead of 35, which, because of the increase in medical costs over that period, it has been estimated would throw a million American children off of health insurance.

What Chairman BAUCUS has done, what Ranking Member GRASSLEY has done, is work out a bipartisan compromise in the Senate that is the right thing to do and not all that expensive.

I congratulate them.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Madam President, I understand the Senator from Iowa wishes to yield back the remainder of his time, and I understand that under the order, I have 2 minutes remaining.

Mr. GRASSLEY. I yield back the remainder of my time.

Mr. BAUCUS. I have 2 minutes; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAUCUS. Madam President, there are a lot of points one could make at this juncture. We will have time tomorrow and in the next several days. The Senate is about to vote on the motion to proceed to the bill. I understand Senators on both sides of the aisle will support it.

It is important to be on the bill. There are differing views within this Chamber about how we get the reauthorization passed, but I don't think there is much disagreement that we need to do something. If we don't get to the bill, we are probably then not going to authorize the Children's Health Insurance Program, and that is going to mean a lot of kids are going to lose health insurance. So I urge Senators to vote to proceed to the bill. I understand the Senate will vote to proceed, and I think that is the right thing to do.

One point I want to make, in this very brief time, is there is some illusion by some Senators as to some States providing CHIP to families who are 400 percent of poverty, that some-

how the Children's Health Insurance Program is going to not only help low-income kids but help high-income kids.

I understand that concern because it has been bandied about. But the fact is, no State currently covers their children at 400 percent of poverty. Only one State is thinking about it. That is New York. That State would have to get approval—either with a waiver by HHS or have their plan approved. I frankly doubt this current administration is going to agree to do that.

I also point out, of all the children in the country covered by CHIP, only 3,000 come from families above 300 percent of poverty. Only 3,000 children today come from families who are above 300 percent of poverty. Frankly, that is an ideal calculation. That is less than one-tenth of 1 percent of the 6.6 million kids who are covered. So a very small fraction of the children come from families who are above 300 percent of poverty. They all live in the State of New Jersey.

I might also add, those 3,000 children in New Jersey represent about 2.4 percent of the children covered by the Children's Health Insurance Program in that State—a very small percentage—and all these children pay \$1,400 per year for their health care, which is a contribution of 2.2 percent of their family income. Most families pay three or four times that.

So this program—as the facts will show and the record will show—by no stretch of the imagination is a program that is going to help high-income kids. In fact, it is the opposite.

I urge Senators to vote to proceed to the health care bill.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 58, H.R. 976, the Small Business Tax Relief Act of 2007.

Harry Reid, Max Baucus, Bernard Sanders, Jeff Bingaman, Ted Kennedy, Maria Cantwell, B.A. Mikulski, Barbara Boxer, Daniel K. Inouye, Christopher Dodd, Patty Murray, Benjamin L. Cardin, Barack Obama, Kent Conrad, Dick Durbin, Ken Salazar, Blanche L. Lincoln, Jack Reed.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 976, an act to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New York (Mrs. CLINTON), the Senator from Connecticut (Mr. DODD), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KERRY), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Illinois (Mr. OBAMA), and the Senator from Rhode Island (Mr. REED) are necessary absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Kentucky (Mr. BUNNING), the Senator from Idaho (Mr. CRAIG), the Senator from Idaho (Mr. CRAPO), the Senator from South Carolina (Mr. DEMINT), the Senator from Nevada (Mr. ENSIGN), the Senator from South Carolina (Mr. GRAHAM), the Senator from New Hampshire (Mr. GREGG), the Senator from Florida (Mr. MARTINEZ), the Senator from Alaska (Ms. MURKOWSKI), the Senator from Alabama (Mr. SESSIONS), and the Senator Alabama (Mr. SHELBY).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 80, nays 0, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—80

Akaka	Dorgan	Menendez
Alexander	Durbin	Mikulski
Allard	Enzi	Murray
Barrasso	Feingold	Nelson (FL)
Baucus	Feinstein	Nelson (NE)
Bayh	Grassley	Pryor
Bennett	Hagel	Reid
Bingaman	Harkin	Roberts
Bond	Hatch	Rockefeller
Boxer	Hutchison	Salazar
Brown	Inhofe	Sanders
Burr	Inouye	Schumer
Byrd	Isakson	Smith
Cantwell	Kennedy	Snowe
Cardin	Klobuchar	Specter
Carper	Kohl	Stabenow
Casey	Kyl	Stevens
Chambliss	Landrieu	Sununu
Coburn	Lautenberg	Tester
Cochran	Leahy	Thune
Coleman	Levin	Vitter
Collins	Lieberman	Voinovich
Conrad	Lott	Warner
Corker	Lugar	Webb
Cornyn	McCain	Whitehouse
Dole	McCaskill	Wyden
Domenici	McConnell	

NOT VOTING—20

Biden	Dodd	Martinez
Brownback	Ensign	Murkowski
Bunning	Graham	Obama
Clinton	Gregg	Reed
Craig	Johnson	Sessions
Crapo	Kerry	Shelby
DeMint	Lincoln	

The PRESIDING OFFICER. On this question, the yeas are 80, the nays are 0. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANDERS). Without objection, it is so ordered.

CENTRAL AMERICAN FREE TRADE AGREEMENT

Mr. BROWN. Mr. President, 2 years ago this week the House of Representatives forced through the Central American Free Trade Agreement, the dysfunctional cousin of the job-killing trade agreement, NAFTA, the North American Free Trade Agreement. CAFTA expanded NAFTA into five Central American countries and the Dominican Republic despite widespread bipartisan opposition to it in the United States, in Central America, and in the Dominican Republic.

During the CAFTA debate, the largest ever bipartisan coalition was formed in opposition to CAFTA and in support of fair trade, a very different direction in our trade policy. A coalition of farmers, ranchers, cattlemen, small business men and women, labor groups, human rights organizations, consumer and environmental and faith groups connected the widespread opposition to NAFTA around the country, with Democrats and Republicans, were standing up to the President.

CAFTA passed but not on its merits. In the middle of the night, the vote was held open until enough arms were twisted to secure a win in the House of Representatives by only two votes. CAFTA passed by the slimmest margin of any trade agreement in the modern era. That was because of the overwhelming opposition by those of us who support fair trade. We forever changed the debate on trade.

Make no mistake, we want trade. As Senator DORGAN says, we want trade and plenty of it. However, 2 years after CAFTA, supporters of the failed NAFTA-like model still are trying to force through Congress more of the same—more job-killing trade agreements that hurt U.S. businesses and that exploit workers in developing nations, more fundamentally flawed agreements designed to protect multinational corporations, and big drug companies. They are protectionists all right; they protect large corporations, especially the large drug companies.

More trade agreements can send our trade deficit soaring and hemorrhaging U.S. jobs. In 1992, the year I first ran for the House of Representatives, our trade deficit was \$38 billion. Last year, it exceeded \$800 billion. From \$38 billion, that is an increase of more than 20 times. The first President Bush said for every billion-dollar trade agreement or deficit, it translates into 13,000 jobs. You do the math on what an \$800 billion trade deficit means.

CAFTA was passed by two votes. Since CAFTA passed 2 years ago this last week, how has it done so far? CAFTA proponents told us if it didn't pass, poverty would get worse in Central America; CAFTA would promote economic growth, curb the violence in

Central America, and serve as a model for strengthening democracy. Let's look at the region 2 years later.

Violence and murders continue to silence the opposition to CAFTA throughout Central America. State violence was responsible for the death of several CAFTA demonstrators in Guatemala. Since 2001, more than 2,500 women and girls have been brutally murdered in Guatemala. Many work in factories built for export and make just a few dollars a week. The Guatemalan Government failed to bring those responsible to justice. And we reward that Government with a free-trade agreement. Four Guatemalan police confessed in the murder of three Salvadoran legislators whose crime was they opposed CAFTA. Despite the threats of violence, still thousands of people are protesting CAFTA in Central America.

CAFTA promoters also said the trade deal would strengthen labor rights. U.S. Trade Representative Zoellick told us:

If CAFTA stumbles, labor rights in Central America will not be strengthened.

The reality is, there have been disturbing developments in the region, including the recent passage by the Honduran Government of a law to create "exception zones" that will allow foreign factories to pay less than the national minimum wage in the southern part of the country. The national minimum wage—think how low it is. It is only a few dimes an hour. This whole idea of a trade agreement is to lift up standards. That is what they say, but what they do is have an exception even from the low wages for foreign companies to come in and pay an even lower wage.

In Guatemala, forced laborers, most of whom are well under the age of 18, are coerced to work 10- to 14-hour days, 6 or 7 days each week.

In Nicaragua, the human rights ombudsman alleges that nearly half of the female employees working in free-trade zones had been subject to physical or sexual abuse.

Consistent with its history of repeating the same act and expecting different results, the administration now wants Congress to approve deals with Peru, Panama, Colombia, and South Korea—still using the failed NAFTA-CAFTA trade model. I think it was Albert Einstein who said the mark of insanity is doing the same thing over and over and over and expecting a different result. This President continues to try to push through trade agreements.

NAFTA failed. PNTR with China is causing a hemorrhaging of industrial jobs from Ohio, in Stubenville, Toledo, Dayton, Cleveland, Canton, Portsmouth—from all over our State. Yet the President continues to push these kinds of trade agreements with Peru, Panama, South Korea, and Columbia through Congress.

This fall, Congress will debate these new free-trade agreements, and this fall I look forward to working with my fair trade colleagues in the House and

Senate in changing our Nation's trade policy. It is clear that an overwhelming majority of the American people want a very different trade policy. It is clear that our communities, people all over my State of Ohio and all over this country understand that these trade policies have cost people their jobs, they have broken too many families, they have hurt too many communities, and they have depleted the manufacturing base in our country.

People want a different direction in trade. We want trade; we want more of it. We want trade under different rules. That is why we demand fair trade.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. SNOWE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. SNOWE. Mr. President, I wish to take this opportunity to speak today on behalf of the legislation that is pending before the Senate to provide health insurance to an estimated 3.2 million children in America who will undoubtedly stand to benefit from this legislation.

I wish to voice my strong support as a member of the Finance Committee for the Baucus-Grassley reauthorization of the State Children's Health Insurance Program. I also extend my congratulations to Chairman BAUCUS and Ranking Member GRASSLEY, as well as chairman and ranking member of the Health Care Subcommittee, Senator ROCKEFELLER and Senator HATCH, for their visionary leadership and tireless perseverance in crafting this package, which has received such broad bipartisan support on the committee—and hopefully on the floor as well—and never losing sight of the overarching goal of obtaining health insurance for uninsured children.

I can well recall in the Senate more than 5 years ago when Senators HATCH and KENNEDY originally authored the legislation that paved the way for this unprecedented program which was supported by the Federal Government in partnership with the States in recognizing that one of the most vulnerable populations in this country was left without health insurance. This really did engender strong support across the board in the Senate and in Congress, and in every State in the country it has been remarkably successful. That is why I think that record of experience should bode well for the passage of this legislation.

As many of my colleagues know, Senator ROCKEFELLER and I introduced separate SCHIP legislation earlier this year, a bill that is cosponsored by more than 22 Members of this body. Many of the elements of that legislation have been incorporated into the legislation that is pending before us today.

Although there are some key components that are absent, I think overall the core issues that are so essential to bolstering a strong program for the future have been inserted in this legislation.

This is a strong bipartisan bill, authored in a bipartisan fashion, and was reported out of the Finance Committee with an overwhelmingly strong support with a 17-to-4 bipartisan vote. Time and again, we talk about the value of setting partisan politics aside and working together to produce solutions for the problems confronting the American people. If there is ever a time to turn our words into action, that time is now.

So the legislation today, while neither perfect nor ideal, represents a strong consensus in response to a growing epidemic in our Nation today, which is a lack of health insurance among working Americans of limited means.

As many of my colleagues are aware, the SCHIP program is not for children below the poverty line. They are already covered by Medicaid. Rather, SCHIP provides fallback health coverage for children of working men and women above the poverty line who nevertheless have been unable to obtain even basic health care for their families, most often because of lack of health coverage at work and the prohibitively expensive cost of individual policies on the private market. In fact, nearly 90 percent of the uninsured children come from families where at least one parent is working and in households earning less than \$40,000 per year, which is 200 percent of poverty, and fewer than half are offered employer-sponsored health insurance at work. This is a 9-percent drop since 1997. So, obviously, that is moving in a different direction, unfortunately, and that is because of the prohibitive costs that have been associated with health insurance plans recently.

For many working families struggling to obtain health care benefits even accessible to them, the costs are moving further and further out of their reach. The anguish of those who work hard to make ends meet yet still cannot afford to pay for health coverage for their children is truly devastating. Parents without access to affordable health insurance for their children live in constant anxiety. They face decisions no parent would ever want to have to confront as to whether their child is really sick enough to go to a doctor. They worry every day about their children doing simple activities, worrying because they can ill afford the consequences of a broken arm or a sprained ankle. Their only alternatives is to ratchet up their credit card balances, often irrespective of mounting debt. That is why this SCHIP program has been such a saving grace for so many families. It has been the one remarkable program which has led to a substantial reduction in the number of uninsured.

Some may say that \$35 billion over 5 years, which is the estimated cost of this program, will only cover an additional 3.2 million children—that it will cost \$2,188 per child. But I happen to believe this is just further illustration of how health care costs continue to spiral out of control. The staggering cost of an individual policy with reasonable coverage is a reality families without health insurance confront every day.

Today, the income eligibility for the Children's Health Insurance Program in my State of Maine is 200 percent of poverty, \$41,300 per family of four. An uninsured parent who wants to buy coverage for their child on the individual market with a \$250 deductible and 20-percent coinsurance can expect to pay \$8,777 a year. This should hardly be surprising given that a family of four seeking to purchase a health insurance plan on the individual market will typically pay in excess of \$24,000 per year. That is \$24,000 per year. So when people talk about the fact that this is going to cost \$35 billion for 3.2 million children, that is a cost of \$2,188, a price that no individual, no family could possibly hope to obtain to provide health insurance for their family. That is why this Children's Health Insurance Program is so essential and critical to working families.

In 1998, a year after Congress passed this program, 14 percent of children in Maine were uninsured. Within 5 years, the number of uninsured in Maine dropped to 7 percent and has remained at that level. This is, at the same time, a dramatic improvement in health coverage as well as a definitive statement that a great deal more work remains if we are to address the critical issues of affordability and accessibility of health insurance, especially as they relate to health care for our children.

That is why I am so pleased that the Baucus-Grassley bill before us provides a significant increase in Federal investment in the Children's Health Insurance Program beyond the reauthorization of the status quo because States not only require sufficient Federal funding to ensure that children currently enrolled in the SCHIP program do not lose coverage and become uninsured, but they also need additional funding to enroll more uninsured children.

Most critically, this legislation increases the Children's Health Insurance Program coverage to children in households earning up to 300 percent of poverty level. That was one of the central pieces of the legislation Senator ROCKEFELLER and I introduced earlier this year. It also adopts another key Rockefeller-Snowe component by ensuring coverage for pregnant women—a long overdue upgrade in the program that rightfully has gained broad support in this Chamber.

I believe the Finance Committee's approach to SCHIP is a balanced, carefully considered package worthy of the Senate's support. I wish to address

some of the opposition that has arisen to this bill because I think it is important to address some of these comments and complaints.

While I acknowledge my colleagues' sincerity in searching for solutions to our overall national uninsured program and I, in fact, support some of the proposals they offer, I must assert that now is neither the time nor the place for attempting to move these legislative proposals. With the September 30 expiration date on SCHIP fast approaching, we simply must take care of children first.

First, we heard the unfortunate veto threat issued by the White House, and I am dismayed by this stance because it seriously misjudges the concern Americans have about access to health care, especially for children and especially for this program.

Year after year, poll after poll affirms that access to affordable health care is the No. 1 domestic priority of Americans. Moreover, in a March New York Times/CBS News poll, 84 percent of Americans surveyed said that they supported expanding the Children's Health Insurance Program to cover all uninsured children. That was 84 percent of the American people, obviously across the political spectrum. By its very nature, it includes Republicans, Independents, as well as Democrats. A similar majority said they thought the lack of health insurance for many children was a very serious problem for this country. So to stand in the way of these efforts which are presented to the Children's Health Insurance Program demonstrates a stark disregard for the wishes of the American people.

Let there be no mistake, I think the public would hold us all accountable if we failed to reauthorize this program but also to make future investments in this program. I think undeniably the problem deserves to be recognized.

Some of my colleagues will say the SCHIP reauthorization is the first step toward Government-run health care and that we will substitute public coverage for private insurance. This is patently untrue, especially because most Medicaid and SCHIP beneficiaries receive coverage through the private plans that contract with their States. For instance, 73 percent of the children enrolled in Medicaid receive most or all of their health care services through a managed care plan. Far from scaling back private coverage, this bill actually shores up employer-based coverage by giving States the option to subsidize employer-sponsored group health care for families for whom coverage is cost prohibitive. Moreover, the bill targets incentive payments only to enrollment of low-income children under 200 percent of poverty, which is, as I said earlier, \$41,300 for a family of four, who are least likely to have access to private coverage in the first place.

Some others will argue that SCHIP could reduce or eliminate coverage for adults, especially childless adults. Al-

though I believe that coverage for adults can have a clear benefit for children, both in terms of enrollment for children as well as the fact that health problems for a working parent can lead to economic insecurity for a family, I recognize the opinion of those who desire to place a greater emphasis on covering children, and that is why this compromise legislation phases out coverage of adults.

I find it interesting, if not somewhat contradictory—I know the administration has been very vocal about the cost and scope of the legislation before us. But this is the same administration which has granted the State waivers to allow States to cover adults for the past 6½ years and just 2 months ago renewed waivers for adult coverage. Clearly, the trend from the administration was to grant State waivers recognizing the importance of insuring parents of uninsured children because, as we have seen time and time again, if a parent is insured, more likely the child will be insured as well and be part of the SCHIP program.

Others may argue that the cost of this legislation is too high, given that the baseline program is \$25 billion. But I also would respond that the \$35 billion that is placed in this bill is \$15 billion below the amount we provided in the budget resolution and fully offset. This is a direct product of the negotiations that occurred within the Finance Committee to reach a compromise and consensus across the political aisle, and I applaud them for the efforts they made. We know the legislation before us will insure 3.2 million. There is probably at least another 5 or 6 million children who may be uninsured. So we haven't addressed the problem in its entirety.

I wish we could have gone the extra mile to do everything we could to reach all the children who are uninsured in America, but I believe this bill is the opportunity to push forward with the most important piece we can at this moment in time in reaching a consensus to address at least 3.2 million because it is \$35 billion in addition to those who are already covered, which is an additional \$25 billion.

I know some would suggest this is another way of advancing comprehensive health care reform. I think there is no question we all desire to address the most grappling domestic problem we face, and that is the issue of the uninsured, of which there are more than 47 million Americans who now lack health insurance. That is certainly the most preeminent domestic policy issue of our time. But if we cannot begin with insuring our children, how can we possibly address the larger population? This is a problem we must tackle, undeniably. Unfortunately, many of the proposals that are being discussed have not obviously been vetted yet for consideration through the committee process, and I am concerned that ultimately it will affect this legislation before the Senate.

For example, I have heard that possibly the Small Business Health Insurance Plan will be attached to the pending legislation. As the former chair and now ranking member of the Committee on Small Business, I have long championed and been an advocate for the Small Business Health Insurance Plan. In fact, I crafted my own legislation more than 4 years ago, so it is an issue I have advocated for a considerable period of time and clearly one that needs to be addressed. But I would hope we could consider that as a separate component. The fact is it deserves to stand alone in consideration, as we tried to do last year but, unfortunately, could not reach the 60 votes necessary to overcome the cloture vote.

There is no question we ought to address that particular issue. At this moment in time, since we are nearing a deadline of September 30 with respect to the reauthorization of SCHIP, I think it is important we stay on track in the Senate and address the other issues related to health insurance at a later point in time. I hope Members of the Senate will set aside those amendments and give their strong support to this legislation.

I think there is no question we have to work to achieve a consensus on health care as a larger question, without a doubt, as we were able to accomplish on this legislation which provides health insurance for uninsured and insured children in America. But I hope my colleagues will see the true benefits of this legislation and support this package that is before us today. I hope we will not be sidetracked with additional amendments, as I said, whether it is on the Small Business Health Insurance Plans or providing for tax credits or health savings accounts. I do think all those issues are critical and should be addressed in their entirety but not as part of this legislation that ultimately could erode the bipartisan support that has been developed for this critical piece of legislation before us today.

I hope we will pass this bill and allow the States to increase the SCHIP eligibility up to 300 percent, which will be the first time that has been allowed by the Federal legislation. I think the data available demonstrates that drawing the eligibility line at 300 percent of poverty will help maximize the number of children we assist with this legislation. In Maine alone, for example, approximately three-quarters of uninsured children are from families with incomes at 300 percent of poverty or below.

The Baucus-Grassley bill also provides States the option to provide health coverage for pregnant women, a policy that has garnered longstanding, well-deserved bipartisan support. The fact is, proper prenatal care can reduce the likelihood of having a preterm baby, and routine care for pregnant women can detect health conditions affecting the mother as well as the baby. Sometimes these medical problems can

be addressed before the child is born. So I think this is an important adjunct to this legislation.

I am also pleased the bill includes the Lincoln-Snowe amendment that was adopted in the committee on the development of pediatric quality measures aimed at reducing preterm births as well. Our country has one of the highest rates of infant mortality among industrialized nations. That is a disgrace in a land with our wealth and our means. Coverage of pregnant women, coupled with quality measures on reducing preterm birth, will help turn around those unacceptable statistics. Investing in good prenatal care saves money too. According to the March of Dimes, health care costs for babies born prematurely are nearly 15 times greater than for full-term babies.

I hope the Senate will provide strong bipartisan support for this legislation. I think we should recognize the success of this program and what it has managed to accomplish over the last 5 years with strong Federal support. I think it is an ideal partnership with the States, which have been extremely successful and effective in the way they have administered this program.

What is also important about this legislation is that we revised the formula so we do not penalize States that do an excellent job of reaching out and continuing to insure more and more children. We don't want to reward just the status quo. So we revised the formula to take into account the States' experiences and how they have been able to succeed in covering low-income, uninsured children so they do not see their allotment drop as a result of being so successful.

That is the way it has worked in the past. If, for example, States have been very good at being able to insure many children in their States, many more than maybe some of the other States, they would lose part of their funding. So we have revised the formula so there isn't this perverse disincentive to cover more children. We should recognize success and make sure it is rewarded.

Finally, I was disappointed, and I know the Chair has been a strong advocate for this as well, that we were not able to provide dental coverage for children. It is something I attempted in the committee, and it was included as part of the Rockefeller-Snowe legislation to address this issue. The chairman of the committee, along with the ranking member, agreed to include a \$200 million Federal grant that is specifically targeted to States to boost their coverage of dental benefits. I am disappointed we don't have a guaranteed dental benefit because I think it is long overdue and is something we should recognize is a critical dimension to health insurance.

We have known of so many examples of tragedies that have occurred and one most recently in Maryland, where a young boy died because he had an abscessed tooth. An extraction would

have cost \$100. He ultimately died. They spent more than \$200,000 trying to save his life, but, unfortunately and tragically, they did not. Think about what might have been had he had dental coverage—simple dental coverage.

Hopefully, we will be able to achieve some kind of support for a compromise. I know I am not satisfied with the fact that we don't have that guaranteed benefit, but I am pleased we do have a \$200 million Federal grant as part of this program and that will be the beginning of that process of providing dental benefits. I do think, ultimately, we need to incorporate it as part of the underlying and fundamental package of health insurance.

I thank the Chair and Members of the Senate for the opportunity to address this issue. I believe that in the long run we are taking a critical stand toward insuring more children in this country, and, hopefully, we can do more. I think the package before us is fiscally responsible. It provides for an offset with a 61-cent increase in the tobacco tax. I know there are those who do not support such a tax increase, but nevertheless, the 61-cent increase will help not only to completely offset the additional cost of this program of \$35 billion, but it also will prevent nearly 1.9 million children from ever starting to smoke, it will help nearly 1.2 million adult smokers quit, it will prevent more than 900,000 smoking-caused deaths, and it will produce \$43.9 billion in long-term health care savings. So even if an increase raises money in the short-term but levels off because, more importantly, fewer people will smoke, that is a win-win situation.

I hope the Senate will look to the strong 17 to 4 vote coming out of the Finance Committee, which is indicative of the broad bipartisan support. Also, it is an example of what we can accomplish when we set aside our political differences in order to do the right thing for children in America. Compromise is essential, and that certainly has been the hallmark of this effort.

We are poised to see a renewal of one of our most uniquely successful initiatives when it comes to a health insurance program for children. This will send a very strong signal to hard-working American families whom the Federal Government is prepared to provide the support to help their children and to help their families as they struggle to meet one of the basic necessities of their life. More importantly, I hope, we will reach the time when we will address the larger question of the uninsured in America because it is long overdue and is a vital necessity for millions and millions of Americans.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. KLOBUCHAR). Without objection, it is so ordered.

IMMIGRATION

Mr. SPECTER. Madam President, I begin by thanking the staff for staying a few extra minutes to enable me to come back to the floor to make a short statement.

I have sought recognition to speak about a revised reform bill on immigration. In the course of the past 3 years, the Senate has spent a great deal of time on trying to reform our immigration system: to begin to fix the broken borders; to add more Border Patrols; to undertake some necessary fencing; to add drones; to undertake employer verification by utilizing identification which now can provide, with certainty, whether an immigrant is legal or illegal; to take care of a guest worker program to fill employment needs in the United States; and to deal with the 12 million undocumented immigrants.

During the 109th Congress, when I chaired the Judiciary Committee, we reported out a bill. It came to the floor, and after considerable debate it was passed. The U.S. House of Representatives passed legislation directed only at border patrol and employer verification, and for a variety of reasons we could not reconcile the bills and enact legislation.

This year a different procedure was undertaken: to have a group of Senators who had been deeply involved in the issue before craft a bill. It did not go through committee, and, as I said earlier on the floor, I think it probably was a mistake because the committee action of hearings and markups and refinement works out a lot of problems. At any rate, as we all know, after extensive debate, the bill went down. We could not get cloture to proceed, and it was defeated.

It was defeated for a number of reasons. But I believe the immigration issue is one of great national concern—great importance—and ought to be revisited by the Congress and that ought to be done at as early a time as possible.

We have a very serious problem with people coming across our borders—a criminal element, and a potential terrorist element. The rule of law is broken by people who come here in violation of our laws. We have continuing problems from the 1986 legislation that employer verification is not realistic because there is no positive way of identification.

No matter how high the borders or the value of border patrol, it is not possible to eliminate illegal immigration if the magnet is present. The legislation I will be putting in as part of the RECORD at the conclusion of my remarks is a draft of suggested proposals to be considered by the Senate. There are two major changes which have been undertaken.