

Some have seized the reauthorization of SCHIP as a license to raise taxes, increase spending, and take a giant leap forward into the land of government-run health care.

The problems with this bill are numerous, and I have spelled them out on this floor before. Because of a budgeting gimmick, the current bill, H.R. 976, will end up costing \$41 billion more than advertised.

It will raise taxes at a time when the American people are already taxed too much by more than doubling the Federal tax on tobacco.

It will leave open loopholes allowing some States to raid their kids' health funds and use the money for adults. The "C" in "SCHIP" stands for children.

It will allow families in certain States who make as much as four times the Federal poverty level to still qualify for SCHIP insurance. A family of four in New York City making as much as \$82,600 could qualify.

That means thousands of families in New York alone will be poor enough to receive SCHIP—yet also rich enough to pay the alternative minimum tax, a tax designed specifically to target the so-called "wealthy."

By luring people away from the private market, H.R. 976 will eventually remove 2 million people from private health coverage.

Senators LOTT, KYL, GREGG, BUNNING and I saw the problems with this bill, and proposed an alternative. The Kids First Act would have reauthorized SCHIP and ensured that states had sufficient resources to cover all of the kids already enrolled.

It would have added an additional 1.3 million children to the program by 2012. And it would have done all of this without raising taxes or increasing the deficit.

The Kids First Act kept the focus on SCHIP's true goal: protecting low-income children.

Many States, including Kentucky, would actually have had more SCHIP funds to spend on kids under the Kids First Act than under the bill on the floor. I am sorry the Senate did not see fit to adopt our proposal.

I know many Senators worked their hardest during this debate to craft comprehensive solutions for the uninsured in America. I appreciate their efforts. I look forward to continuing that work.

Unfortunately, so much effort has not produced an answer. This bill is unlikely to receive a Presidential signature. Nothing will have been accomplished. We will have to pass a temporary extension of SCHIP, and then go back to the drawing board for a long-term reauthorization.

When we do, I hope the Senate can stay focused like a laser beam on what SCHIP is truly all about: providing a safety net for kids in low-income families.

I look forward to working with all of my colleagues to craft legislation that

can meet that goal, pass this Senate, and be signed into law.

But for now, the bill on the floor will not accomplish that. I intend to vote "no." And I urge my colleagues to do the same.

Mr. BAUCUS. Mr. President, we are about to vote final passage tonight. I am not going to take the time of Senators for all the customary thank-yous. I will do that at a later date. But I do very much want to thank Senators GRASSLEY, HATCH, and ROCKEFELLER and all the great team who helped make this possible.

I also thank the parents across the country who love their children and are determined to provide the best possible health care for them. I say to the parents, to all Americans, I hope this bill helps you provide that health care, and I think it will. I thank all Senators for their cooperation in helping make this happen tonight.

The PRESIDING OFFICER. Under the previous order, the substitute amendment, No. 3520, as amended, is agreed to.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. BAUCUS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 68, nays 31, as follows:

[Rollcall Vote No. 307 Leg.]

YEAS—68

Akaka	Feingold	Nelson (FL)
Alexander	Feinstein	Nelson (NE)
Baucus	Grassley	Obama
Bayh	Harkin	Pryor
Biden	Hatch	Reed
Bingaman	Hutchison	Reid
Bond	Inouye	Roberts
Boxer	Kennedy	Rockefeller
Brown	Kerry	Salazar
Byrd	Klobuchar	Sanders
Cantwell	Kohl	Schumer
Cardin	Landrieu	Smith
Carper	Lautenberg	Snowe
Casey	Leahy	Specter
Clinton	Levin	Stabenow
Coleman	Lieberman	Stevens
Collins	Lincoln	Sununu
Conrad	Lugar	Tester
Corker	McCaskill	Warner
Dodd	Menendez	Webb
Domenici	Mikulski	Whitehouse
Dorgan	Murkowski	Wyden
Durbin	Murray	

NAYS—31

Allard	Brownback	Chambliss
Barrasso	Bunning	Coburn
Bennett	Burr	Cochrane

Cornyn	Gregg	McConnell
Craig	Hagel	Sessions
Crapo	Inhofe	Shelby
DeMint	Isakson	Thune
Dole	Kyl	Vitter
Ensign	Lott	Voinovich
Enzi	Martinez	
Graham	McCain	

NOT VOTING—1

Johnson

The bill (H.R. 976), as amended, was passed.

The bill will be printed in a future edition of the RECORD.)

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2646

Mr. BAUCUS. Mr. President, I ask unanimous consent that the title amendment at the desk be considered and agreed to and the motion to reconsider be laid on the table.

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

The amendment (No. 2646) was agreed to, as follows:

Amend the title to read:

A bill to amend title XXI of the Social Security Act to reauthorize the State Children's Health Insurance Program, and for other purposes.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the order for the vote on the judicial nomination of the judge from Oklahoma be modified for the vote to occur immediately after the Senate convenes tomorrow morning, Friday, under the same conditions provided under the previous order.

I would say this has been cleared with Senator LEAHY and Senate SPECTER.

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

AMERICA COMPETES ACT—CONFERENCE REPORT

Mr. REID. I ask unanimous consent that the Senate proceed to the immediate consideration of the conference report to accompany H.R. 2272, the 21st Century Competitiveness Act of 2007; that the conference report be adopted, the motion to reconsider be laid upon the table, that any statements be printed in the RECORD as if given.

Mr. President, I hope we can, in a minute or two, clear this wonderful piece of legislation. It is something I think people will write about for a long time. It is going to improve America's stature in the world and allow us to be more competitive.

The PRESIDING OFFICER. Is there objection?

Mr. McCONNELL. Mr. President, reserving the right to object, and I will not object, I want to take a brief opportunity to thank the senior Senator

from Tennessee, who was the brains behind this effort on the Republican side. It did enjoy broad bipartisan support. But the leader clearly on our side in developing and pushing for this accomplishment was the senior Senator from Tennessee. I just want to, on behalf of all of us who were enthusiastic about this piece of legislation, congratulate him for a spectacular job.

Mr. REID. Mr. President, I certainly also applaud the Senator from Tennessee. He worked hand in glove with Senator BINGAMAN, Senator KENNEDY, Senator INOUE.

I think it is appropriate to send a bouquet to my friend, the distinguished junior Senator from Nevada, Mr. ENSIGN. This is something he has believed in for a long time. He has worked with a number of individuals, and he has been out front on this going on for well more than a year.

The Republican leader and I have left off people who deserve attention, but we all deserve some credit. As we have said before, when we do something that is good, there is credit to go around. When we fail to accomplish things, there is blame to go around. Tonight, we can all claim a little bit of the credit, and rightfully so.

The PRESIDING OFFICER. Is there objection?

Mr. ALEXANDER. Mr. President, reserving the right to object, which I will not do, while the majority leader and the Republican leader are on the floor, I would simply like to say that this is the Reid-McConnell bill we are passing, which represents the fact that so many Members of this body have been a part of it.

After the Senator from Iowa makes his remarks, after wrap-up, I plan to make some remarks about this bill. But I would just simply say now that they have created an environment, in a bipartisan way, that permitted this bill to pass. It has been worked on for 2 years. It has had 70 Members—35 Democrats, 35 Republicans—cosponsoring it. I would judge that there will be no more important piece of legislation to the future of the country that passes the Congress in this session. I wish to thank Senator REID, Senator MCCONNELL, and Senator Frist from the last session for creating the environment that made it possible.

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

The conference report was agreed to. (The conference report is printed in the House proceedings of Wednesday, August 1, 2007.)

#### ETHICS REFORM

Mr. REID. While my friend, the distinguished chairman of the committee, is not here, the ranking member is here. I think we all owe you a debt of gratitude. The way this bill was managed has been exemplary, and I speak for all of us in extending my appreciation to you and your partner in this very important committee, Senator BAUCUS, for the work you have done.

Mr. GRASSLEY. I would thank the distinguished majority leader too because he allowed this process to work. All the amendments that needed to come up—and there was kind of a convoluted way of putting it together with the tax bill that opened up a lot of other avenues and amendments that were brought up. But it really worked out well, and it is in the tradition of the Senate, and I thank you very much for your leniency in regard to letting everything that needed to be discussed, be discussed. I appreciate that.

#### MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we now proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak for such time as I might consume.

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

#### SCHIP

Mr. GRASSLEY. Mr. President, before I go to further remarks, I want to give some credit on the passage of H.R. 976 the bill we just had and the cooperation.

The Grassley-Baucus cooperation has been mentioned here. I really compliment Senator BAUCUS for his leadership in working with us. But, also, it took us 3 or 4 months to put together a bill, and Senator HATCH and Senator ROCKEFELLER were very much involved in that effort with many long hours. So I thank them.

I do wish to make the point that what the Senate has done over the past few days has genuinely served the interests of the American people. The Senate passed this bipartisan legislation which will cover an additional 3.2 million children.

The Senate has proceeded in regular order to process amendments. Every amendment that was offered was defeated—I mean every one on which we had a rollcall vote was defeated. So this bill basically has come out of the Senate the same way it came out of the Senate Finance Committee.

This is how we should do business in the Senate. Amendments were debated and voted upon. Members had the opportunity to consider a variety of changes to the Senate Finance Committee bill. Some were adopted by voice vote. Those that took a rollcall, none of those were adopted. But regular order was followed, and the Senate worked its will.

I am pleased with the Senate Committee product, which is a bipartisan product.

I am also pleased with how the majority and minority leaders have handled the process. This has been a tough, complicated piece of legislation. A lot

of Members and staff have worked very hard to get us to this point.

I thank the chairman for his tireless efforts and how he worked in a bipartisan manner. I wish to thank his staff: Alice Weiss, Michelle Easton, Bill Dauster, Russ Sullivan, David Swartz, and Rebecca Baxter. I also thank Senator ROCKEFELLER and his staff: Jocelyn Moore and Ellen Doneski. Much is also owed to the Senator from Utah, Mr. HATCH, and his staff. Finally, I wish to thank the staff of the minority—I should say the Republicans on the Finance Committee: Chris Condeluci, Mark Prater, Becky Shipp, Rodney Whitlock, Mark Hayes, and Kolan Davis.

Now, I would like to address the Senate since we passed our bill, since the House last night passed their bill, and soon there will be a conference between the House and Senate. I wish to speak about some things I think the House of Representatives has done that are damaging to Medicare Advantage.

People are saying that Medicare Advantage plans are overpaid. They talk about cutting payments, and that is what the House of Representatives has done in their SCHIP bill. But they do not talk about why Congress set up the payment structure, which was to create choices of plans in Medicare and to expand private plan choices in rural America. They do not talk about why Congress set up that choice. It worries me that those arguing about the plan payments are losing sight of the Medicare beneficiaries.

These beneficiaries, the seniors and disabled of America, are the ones who benefit from having Medicare Advantage plans available to choose from. Congress, in 2003, enacted the Medicare Modernization Act. That is the act that included the prescription drug program as an improvement in Medicare. A major goal of the MMA, the Medicare Modernization Act, was to expand beneficiaries' choice of Medicare plans. Before MMA, rural beneficiaries, such as my people in Iowa and a lot of States that are more sparsely populated than Iowa, rarely had a private Medicare plan to choose from. Now rural and urban Medicare beneficiaries can decide whether a private plan option or traditional Medicare works best for them.

I want to tell you why Medicare Advantage can be a good option for beneficiaries and why the program should not be touched, as it was recently by the House of Representatives in their SCHIP bill. I want to explain at the same time why Congress thought all beneficiaries, whether you were in rural America or urban America, should have a choice of plans.

The original Medicare benefit is set up based on how medicine was practiced in 1964, meaning in 1964 the fee for service that is the traditional Medicare was set up at a time when you went to the doctor. If you were very sick, then you went to the hospital. Medicine was much less specialized.