

recently discussing an important topic that affects all consumers in this country—the high cost of prescription drugs. Not only do rising prescription drug costs contribute to all individuals' health insurance costs—but our health care providers feel the burden of these rising costs as well.

In my home State of South Dakota, rural hospitals serve as a lifeline to thousands of constituents living in medically underserved areas—and the rising cost of drugs continues to squeeze their budgets. As we continue to see in all regions of the country, cost directly impacts access.

In 1992, Congress created the 340B program under Medicaid to lower the cost of drugs purchased by a limited number of entities serving a high number of low-income and uninsured individuals—such as Federally Qualified Health Care Centers and nonprofit hospitals providing care to a disproportionate share of Medicaid patients. Under the 340B program, pharmaceutical manufacturers are required to provide these entities discounts on outpatient drugs as part of each manufacturer's Medicaid participation agreement.

This week, I was pleased to reintroduce legislation with my colleague from New Mexico, Senator BINGAMAN, to improve the 340B program and extend these discounts so that they not only apply to outpatient drug purchases, but also inpatient prescription drug purchases for qualifying hospitals.

Additionally, this bill would expand eligibility in the program to all critical access hospitals, as well as sole community hospitals and rural referral centers that serve a high percentage of low-income and indigent patients.

This legislation includes important provisions to improve the integrity of the program and generate savings to Medicaid. Specifically, the bill would generate savings for the Medicaid program by requiring participating hospitals to credit Medicaid with a percentage of their savings on inpatient drugs. Additionally, the bill seeks to enhance the overall efficiency of the 340B program through improved enforcement and compliance measures with respect to manufacturers and covered entities.

Hospitals serving predominately rural areas, such as the 38 critical access hospitals in South Dakota, play a crucial role in my State in providing care to patients in underserved communities. Extending the 340B drug discount program to these hospitals will help them to afford their prescription drugs—and at the same time lower the overall cost of care at these hospitals and to the Federal Government.

The 340B Program Improvement and Integrity Act of 2007 is commonsense legislation that reduces the cost of drugs for health care providers serving society's most vulnerable citizens. I look forward to working with my colleagues on both sides of the aisle to get this bipartisan legislation passed and signed into law.

#### AGREEMENT ON TRADE

Mr. FEINGOLD. Mr. President, last week, amid great fanfare, several Members of the House and Senate announced they had reached an agreement with the administration on language that facilitates the implementation of two trade agreements, and paves the way for the possible consideration of additional trade agreements as well as the extension of so-called fast-track trade agreement implementing authority.

No sooner had the announcement been made than questions were raised about just what the agreement was. A comparison of the representations made by the parties to the agreement revealed several potentially contradictory interpretations of the deal. And when details of the agreement were sought, it was discovered that there really weren't any, that what the parties had agreed to was a set of principles. We now understand that the actual details of the agreement may not be fully spelled out until legislation implementing the trade agreements is presented to Congress for approval. Until then, everyone is free to spin this agreement as they wish.

Given the parties that were involved, hearing the announcement was a bit like hearing that the foxes and wolves had reached a deal on guarding the hen house. For the most part, the people who were negotiating this agreement have a nearly unbroken record of supporting the deeply flawed trade policies of the past decade and more. From the North American Free Trade Agreement, NAFTA, to the General Agreement on Tariffs and Trade, GATT, which created the World Trade Organization, to granting China permanent Most Favored Nation status, to the more recent agreements like the Central America Free Trade Agreement, the actors in this deal have all been singing from the same hymn book. While I don't question the good intentions of those who were involved, no one should have expected last week's announcement to produce significant changes to that hymn book.

Our trade policy has been disastrous. It has contributed to the loss of several million family-supporting jobs in this country. It has left communities across my State devastated, and I know the same is true in communities around this country.

Our trade deficit reaches new heights every year, as we send more and more of our wealth overseas, much of it in the form of factories that provided entire communities with decent, good-paying jobs. I hold listening sessions in each of Wisconsin's 72 counties every year. This is my 15th year holding those listening sessions, listening to tens of thousands of people from all over Wisconsin. I completed my 1000th of those sessions last fall, and I can tell you that there is nearly universal frustration and anger with the trade policies we have pursued since the late 1980s. Even among those who would

have called themselves traditional free-traders, it is increasingly obvious that the so-called NAFTA model of trade has been a tragic failure.

I voted against NAFTA, GATT, and permanent most favored nation status for China, in great part because I felt they were bad deals for Wisconsin businesses and Wisconsin workers. At the time I voted against those agreements, I thought they would result in lost jobs for my State. But, as I have noted before, even as an opponent of those trade agreements, I had no idea just how bad things would be.

Nor does the problem end with the loss of businesses and jobs. The model on which our recent trade agreements have been based fundamentally undermines our democratic institutions. It replaces the judgment of the people, as reflected in the laws and standards set forth by their elected representatives, with rules written by organizations dominated by multinational corporations. Food, environmental, and safety standards set by our democratic institutions are subject to challenge if they conflict with those approved by unelected international trade bureaucracies. Even laws that require the government to use our tax dollars to buy goods made here, rather than overseas, can be challenged.

Our trade policy is a mess, and it needs to be fixed.

As bad as our trade policies have been, they have not been partisan policies. I wish they were. I wish I could lay the blame at the feet of our colleagues in the other party. But Members of both parties have aided and abetted these flawed policies. Presidents of both parties have advanced them, and Members of Congress from both sides of the aisle have approved them.

It should not come as a shock to anyone, then, that while the agreement announced last week was bipartisan, because it was negotiated by people who largely supported the flawed trade agreements of recent years, it fails to address in a meaningful way the concerns of those who have opposed those same agreements.

It is noteworthy that while the announced agreement is primarily related to enhancing international worker standards, not a single union has endorsed it. While the agreement reportedly enhances international environmental standards, no environmental groups have endorsed it. Nor have those business groups that have been critical of our trade policies.

We are making progress, albeit slow progress, in educating the public and policymakers on the true nature of our trade agreements. In the past, when opponents of these flawed trade deals raised questions about the actual provisions in those agreements, supporters were quick to play the free trade card and label those who questioned the agreements as "protectionist."

This charge resonated with many of our newspaper editorial boards, who

have parroted the elegant theories of 18th century economist Adam Smith.

But the trade agreements into which we have entered in recent years are not simply reductions in tariffs, as Adam Smith envisioned. If these agreements were just reductions in tariffs, they could be implemented by a bill that is only one or two pages long. Of course, that is not the case. These agreements are lengthy. The bills that implement them are so massive as to be almost bullet proof. And the reason is that they go far beyond merely lowering tariffs. As Thea Lee wrote in the *Wall Street Journal*:

We should all understand by now that modern, (post-NAFTA) free-trade agreements are not just about lowering tariffs. They are about changing the conditions attached to trade liberalization, in ways that benefit some players and hurt others. These are not your textbook free-trade deals. These are finely orchestrated special-interest deals that boost the profits and power of multinational corporations, leaving workers, family farmers, many small businesses, and the environment more vulnerable than ever.

Increasingly, some who blindly accepted these trade agreements in the past now are beginning to read the fine print. They recognize the role these agreements have played in our skyrocketing trade deficits and the loss of millions of jobs. They understand that if we are to have a sustainable trade policy, then we must dramatically alter the NAFTA model of trade on which our recent trade agreements are based.

The agreement announced last week does not do that. And until our trade agreements better reflect a more sustainable relationship with our trading partners as well as the broader interests of our own national priorities—keeping businesses and good-paying jobs here, ensuring strong protections for our environment, our food safety, and even the ability of our democratic institutions to set those national priorities—I will continue to oppose them.

#### DARFUR

Mr. FEINGOLD. Mr. President, I am pleased to join my colleagues Senators MENENDEZ and BROWNBACK this week in introducing a resolution that recognizes the unique diplomatic and economic leverage that China possesses, and that offers that country a rare opportunity to be a force for peace in the troubled Darfur region of Sudan.

By now, we are all aware of the devastation being wrought upon the innocent people of Darfur. Over the past 4 years, hundreds of thousands of people have been killed and more than 2.5 million displaced as a result of the ongoing and escalating violence caused by the Sudanese Government, associated Janjaweed militia attacks, and even the numerous rebel factions. Congress declared the Sudanese Government's atrocities to be genocide nearly 3 years ago, and my colleagues and I have been actively demanding that the United States do everything in its power to

bolster the hard-working but inadequate African Union peacekeeping mission, support the efforts of courageous humanitarian workers, hold those responsible accountable for their actions, and persuade all parties to commit to a legitimate political resolution that can end the conflict and ensure people can safely and voluntarily return to their homes.

Although I am frustrated that the United States' efforts to achieve these key objectives have been inadequate, I am even more upset by the Sudanese Government's persistent obstruction of all efforts to address Darfur's deep security, humanitarian, and political crises. The United States and other Western governments have made significant political and material investments in Sudan in an attempt to bring peace to that conflict-torn country, but as long as Khartoum continues to thwart its international obligations and pursue its violent campaign, these investments will not bring Sudan closer to peace.

All parties agree that the tipping point in Sudan will come when the government there sees the costs of continuing to break existing promises and obstruct new agreements as greater than the benefits it can achieve by doing so.

The country perhaps best positioned to affect the calculus of this cost-benefit analysis is China. Over the last decade, Beijing's energy firms have invested between \$3 billion and \$10 billion in the Sudanese energy sector, and China now exports seventy percent of Sudan's oil. China recently cancelled over \$100 million in Sudanese debt and is building roads, bridges, an oil refinery, a hydroelectric dam, government offices and a new \$20 million presidential palace. With these debt savings and oil revenues, Sudan has doubled its defense budget in recent years, spending 60 percent to 80 percent of its oil revenue on weapons—arms mostly made in China. I was very disturbed to see that the chief of Sudan's armed forces was so warmly welcomed in Beijing last week and promised increased military exchanges and cooperation.

Eleven States, half a dozen cities, and more than 30 academic institutions across the United States have decided to divest from companies that do business with the Sudanese Government. Many of these companies are Chinese, which sends a signal to both Beijing and Khartoum that Americans—and others around the world—are willing to put their money where their mouths are when it comes to defending the people of Darfur.

Africa can benefit from Chinese investment, but China's increasingly important role on the continent also carries responsibilities. As the 2008 summer Olympics in Beijing approach, China is keen to be perceived as a key player on the world stage, but that means it needs to play by the rules. According to a recent Amnesty International report, China is, and I quote

“allowing ongoing flows of arms to parties to Sudan that are diverted for the conflict in Darfur and used there and across the border in Chad to commit grave violations of international law.” This is, I note, also in violation of the U.N. arms embargo.

Recently, China has begun to play a more constructive role in Sudan, by offering to contribute an engineering unit to the U.N.-led peacekeeping force that awaits admission into Darfur and by appointing a special representative to Africa who will focus specifically on the Darfur issue. These are notable, and welcomed developments, but they are not sufficient. We need to see a substantial policy shift in China's relationship with Khartoum that is reflected in both their public and their private efforts. China must send an unequivocal message that the relentless violence is unacceptable—and it must do so by working collaboratively and constructively with the rest of the international community to ensure a consistent message.

The resolution introduced today urges China to be more constructive, consistent, and collaborative in its policy towards Sudan. It is our hope that through political messages like this resolution, diplomatic communication through formal and informal channels, and economic signals sent by the divestment campaign, China will be persuaded to take advantage of the unique opportunity it possesses to change the political calculus of the government in Khartoum so that the equation results in peace for the people of Darfur.

#### IBM CELEBRATION

Mr. LEAHY. Mr. President, today I proudly tell my friends in the Senate about an impressive milestone in the history of Vermont business. This winter marked 50 years since IBM President Tom Watson Jr. opened a manufacturing plant in Essex Junction. Today, IBM is Vermont's largest private employer and one of the foundations to a growing technology sector throughout our State.

Many events have and will be planned to celebrate the many achievements IBM and its workforce have made in the Green Mountain State. Most recently, Vermont Business Magazine ran a collection of news pieces and special features in its April 2007 issue about IBM's history in Vermont.

I ask unanimous consent that an op-ed I wrote recognizing the successes that IBM and Vermont have enjoyed during the past 50 years be printed in the RECORD.

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

[From Vermont Business Magazine, Apr. 2007]

IBM'S 50 YEARS OF INNOVATION AND EVOLUTION

(By Senator Patrick Leahy)

In 1957, then IBM President Tom Watson Jr. selected Vermont's Essex Junction to