

impossible to argue both of those positions at the same time. If negotiating will, in fact, not lower prices, then it certainly can't affect R&D expenses. But yet both of those assertions are being made at the same time.

We are all committed. This Congress last year appropriated \$29 billion for research and development through NIH. And I know the distinguished Chair has been involved in advocating for those efforts as well as for Medicare. The fact that we have put into place \$29 billion of taxpayers' money indicates our commitment to R&D and to work with the industry. The research that is done through that effort is available free of charge to the industry. They are able to take that information. They are able to deduct as a business expense their R&D efforts, and they get a 10-percent tax credit for R&D efforts on top of that for breakthrough drugs, all of which I support. We then give about an 18-year patent to protect a company from a particular drug. They have to be able to recoup their costs and not have full competition from the private marketplace or from generic drugs. I, also, support that.

All we are asking—all the people of the country are asking, particularly our seniors and disabled—is that when one gets through with the process they have invested in, they should be able to afford to buy the medicine. Medicine that is not affordable is not available, and health care today is becoming more and more a question of treatment through medicine.

I am hopeful we will move quickly. I know the chairman of the Finance Committee has held a hearing. We are grateful for that. I am hopeful we will move forward together on a bill that will mirror what the House of Representatives has done in order to say that the Secretary should negotiate the best price for medicine for our seniors, for people with disabilities, and certainly for the taxpayers who are paying a substantial amount for this benefit.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. I ask unanimous consent to speak as in morning business.

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

Mr. COLEMAN. Madam President, I would like to respond to my colleague from Michigan. I wish to talk a little bit about the minimum wage, but I would love to debate drug rationing. And that is what we are going to get to. That is what we are talking about. We are talking about adopting the VA system. For those seniors out there listening, you have a limited list of drugs which are available. And by the way, you get them through the VA. You get about 80 or 90 percent through mail order, the rest at the VA, where my dad goes. I think he, also, may have an addition tied into Part D. I have seniors in Minnesota who like to go to the local pharmacy. I am struggling and

fighting every day to keep rural pharmacies alive. You want to put a stake through the heart of rural pharmacies, of small business, talk about doing what the House is talking about. We will have that debate another day.

Americans and Minnesotans like choice. Under Medicare Part D, the poorest of the poor are dual eligibles, and it is a program that is working. Most of the seniors in my State who have Medicare Part D are pretty happy. We have some challenges with the doughnut hole. But going to a system of limited choice, limited options and somehow saying that that is going to be better than a system where you have millions of consumers and, in effect, the bargaining goes on every day, if you don't like one plan, you can go to the next, this plan has cost us less money. It is giving great choices. Our challenge is to keep our rural pharmacies alive. This is not going to make that any better.

#### MINIMUM WAGE INCREASE

Mr. COLEMAN. Madam President, I wish to talk about a bipartisan effort to increase the minimum wage. Last week, the House overwhelmingly passed legislation to increase the current minimum wage from \$5.15 to \$7.25 an hour. We will have a chance to deal with that in the Senate. We are going to get a better bill out of the Senate. We are going to have some small business protection which is important. But we do need to increase the minimum wage.

I have long supported increasing the minimum wage. I strongly believe that Congress should ensure that the benefits of our strong economy go to everybody. My State of Minnesota is 1 of 29 that have sought to ease the burden for minimum wage workers by increasing the minimum wage above the Federal minimum wage. But it is well past time that Congress acted.

It has taken more than 9 years to finally reach the point where we will be increasing the minimum wage, and it is about time. As a result of congressional inaction, the Federal minimum wage is actually at a 50-year low, when we factor in inflation. That is simply not fair. It is not fair for our minimum wage workers who must deal with the ever-rising cost of day-to-day living.

There are some who argue that the vast majority of those receiving the minimum wage don't come from poor families. They claim that those receiving the minimum wage are middle income families, young, and work part time. I don't think the facts support that proposition. If Congress increases the minimum wage to \$7.25, we are talking about helping about 50 percent of the workers who come from poor and low-income families. We are talking about helping out those Minnesotans who work in the nearly 230,000 low-wage jobs who would benefit from an increase. We are talking about 40 percent of hourly workers who are making \$5.15 or less who are uninsured.

Congress needs to find bipartisan solutions to reduce the ranks of the uninsured. We need to act to improve health care accessibility and affordability for all Americans, not the least of which are low-wage workers. It is important to make the point that these same uninsured Americans are also the ones who will benefit most from a hike in the minimum wage.

While I support increasing the minimum wage, I, also, support targeted small business protection. I want to see the hit of an increase in the minimum wage lessened. It is no good to increase the minimum wage if you are going to take away somebody's job. You have to look at the impact on small business.

I am a former mayor, a member of the Small Business Committee. I understand the importance of small business to our economy. I believe that America's future is tied to the growth of small business. Small businesses become big businesses, but they have to start small. They need the kind of protection we are talking about, bipartisan relief.

I have introduced legislation—and apparently a bill will come out of committee—that will provide some protection. I want to make sure a couple other things are in there, such as increasing expensing for small business. My small business owners tell me this is important. Under this sort of expensing, businesses can take an immediate depreciation deduction of up to \$112,000 on taxes for qualified business purchases. This is important to do the right kind of protection and ensure that businesses can continue to hire workers and continue to grow and expand.

I applaud the Finance Committee today for passing small business relief. I think it includes an extension of increased expensing and a 15-year straight-line cost recovery period for qualified leasehold and restaurant improvements. I am not going to get into the nitty-gritty, but we are making progress. That is good.

I wish to comment on one other aspect of the minimum wage debate that is not included in the bill out of the Finance Committee. It is called the tip credit. Although this is somewhat of a technical issue, at the end of the day this is about jobs, plain and simple.

So what is tip credit? With tip credit, employers can count a certain part of their employees' tips toward meeting their employees' minimum wage. Tip credit has long been on the books. Labor laws recognize it. I know the State of New York has tip credit. I think there are 7 of the States that do not have a tip credit; 43 States have it. Again, labor laws recognize it, tax laws recognize it. It is an issue that impacts about 10,000 Minnesota businesses and their workers—mostly in the hospitality industry, such as restaurant workers. Those are important businesses. They are gathering places in the community. They are the cornerstone of many of the communities.

They form an important part of the State's tax base. The restaurants and those folks employed there are active in the community. They sponsor the local youth teams and support schools and neighborhood projects. Restaurants are where Little Leaguers celebrate victories, families celebrate special occasions, and tourists spend good money, as in my State of Minnesota. This is a way of life which is increasingly under threat. Minnesota is one of seven States that do not have tip credit. My hospitality industry is at a competitive disadvantage with respect to those States which surround us which allow for tip credit. Those in the hospitality industry in our border areas are in competition with other States.

Minnesota has a minimum wage of \$6.15 an hour. That is a good thing, but it is not the case in our neighboring States. I think if we look at the other chart, for instance, Wisconsin has an even higher minimum wage. Ours is \$6.15 an hour, with a tip credit of \$4.17. In Wisconsin, an employer pays a minimum hourly cash wage of \$2.33 and can apply \$4.17 of their employees' tips toward meeting the minimum wage of \$6.50. The employers in Wisconsin, Iowa, South Dakota, and North Dakota in the hospitality industry can pay employees less. There is a lower cost of doing business, which puts my employers at a competitive disadvantage. We are at risk of losing jobs in these areas.

As I have always said, the best welfare program is a job program and a housing program. Consider dining out in the border town of Moorhead, MN. Just across the river in Fargo, ND, there are more than 50 national chains, and there is only 1 in Moorhead.

Operating on an unfair playing field with North Dakota and Wisconsin, hospitality establishments have to make tough decisions, such as raising prices, cutting the workforce, reducing employee hours or, worse, shutting down in the State. Peggy Rasmussen, the owner of Countryside Café in Hamel, is seriously considering closing down her business because of this tip credit issue. When businesses such as Peggy's shut down, their workers are left behind and so, too, are our communities.

This is a fundamental question of fairness. Forty-three States have tip credit. All of Minnesota's neighbors have tip credit. Minnesota does not.

I wish to make it clear that any change in the tip credit law is not going to result in a lowering of this wage for Minnesotans. Anything we do needs to be prospective. I want to defend our restaurant employees. This is what they are making. Over time, we can equalize some of the disadvantage. We can do it in a way that doesn't support a tip credit that would lessen a worker's minimum wage.

As we increase the minimum wage, which I have consistently said is the right thing to do, let's also ensure that States such as Minnesota can operate on a more level playing field with the rest of the 43 States that have the tip

credit. Without the tip credit, Minnesota's hospitality businesses and workers will continue to be hurt.

Throughout my time in the Senate, I have sought to improve the living standards of America's hard-working families. Increasing the minimum wage is one way to do so. I look forward to voting with my colleagues from both sides of the aisle to increase the minimum wage.

It is my hope that the minimum wage proposal will also allow for tip credit, which is critical to the future of Minnesota's businesses and workers, which is, in the end, about fairness and, most importantly, about keeping jobs in the States that need them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

#### HONORING THE PUBLIC SERVICE OF TED TOTMAN

Mr. GRASSLEY. Madam President, I rise to pay tribute to a staff person, Ted Totman, who will retire this week after 23 years of public service as a professional staff member in the U.S. Senate. I didn't know it back then, but when Ted took a job for me in 1983 on the Subcommittee on Aging of the Committee on Labor and Human Resources, I had hired someone who would be one of my closest, most trusted, and longest serving advisers.

Ted was a professional staff member for the Subcommittee on Aging from May 1983 to February 1985. He was staff director during my chairmanship of that subcommittee from April 1985 to January 1987. Ted played a major role in developing and passing the 1984 Older Americans Act amendments and was a forward-looking, successful advocate for more attention to Alzheimer's disease, including expanding the number of Alzheimer's disease research centers, increasing funding for Alzheimer's disease research, and increasing funding for the care of people with Alzheimer's disease. Ted also worked to help obtain funding for two statistical centers on aging in the Census Bureau.

For the next 10 years, from January 1987 to January 1997, Ted served as a legislative assistant in my office, where he was responsible for Medicare, Medicaid, Social Security retirement and disability policy, private pensions, and veterans issues. He was the leading staff member in the Congress for rural health initiatives. He worked to call attention to regional disparities in Medicare provider reimbursement which disadvantage rural providers, requested and achieved a major Office of Technology Assessment study on the problems of delivering health care in rural areas, and supported the Medicare Dependent Hospital Program and the EACH/RPCH hospital program. Ted's staff leadership helped to secure landmark amendments in the 1995 Finance Committee reconciliation bill to ensure geographic equity in Medicare

managed care and to reform Medicare's reimbursement for nonphysician primary care providers. In addition, Ted spent countless hours helping Iowans navigate the Federal health care programs.

In January 1997, I became, because of seniority, chairman of the Senate Special Committee on Aging. I asked Ted to be staff director. For the next 3 years, Ted led the committee's work that focused on preparing for the retirement of the baby boom generation and rural health issues. The committee staff developed legislation on aging policy issues, including Medicare, Social Security retirement, and private pensions, most of which was referred to the Committee on Finance, where I was also a member. Legislative initiatives included bills on Medicare dependent hospitals, consumer protections for participants in Medicare managed-care plans, and the program of all-inclusive care for the elderly, and that comes under the acronym we all recognize as the PACE Program. Staff developed and helped enact the Balanced Budget Act in 1997, provisions that provided greater reimbursement equity to managed-care plans that operated in rural communities. As staff director, Ted also led the pursuit of an active oversight and investigative agenda, including a pivotal review of the quality of care in nursing homes and the management of the oversight of quality of care in the nursing homes by the Health Care Financing Administration. Let me say for the distinguished Presiding Officer, the previous administration helped us very much get that through so that we now are adequately enforcing oversight of nursing homes, as one example.

Ted helped to raise the profile of many issues of importance not only to older Americans but to our society as a whole.

In January of 2001, I became chairman of the Senate Committee on Finance, and Ted was there again to provide valuable leadership. When I asked him to stay on, at a time he was thinking of retiring, as deputy staff director, he was an integral part of the success of the committee's work during the next 6 years and oversaw staff work on major initiatives, including the Medicare Modernization Act of 2003, the health provisions of the Deficit Reduction Act, the PRIDE Act, and the authorization of the Safe and Stable Families legislation.

Once again, Ted helped to ensure an active oversight program that focused on fraud and abuse in the health care system, problems in the process by which the Food and Drug Administration approves medications and devices, the quality of care in nursing homes, and the management by the Centers for Medicare and Medicaid Services of the survey and certification system for nursing homes. That was an ongoing issue back, as I referred to, when I was chairman of the Committee on Aging.