

law. That respect is shared by many of Wyoming's finest legal minds. Words I have heard from members of the Wyoming bar to describe Mr. Honaker: bright, fair, civil, ethical, passionate about his clients, and devoted to the law. He expects the same of others that he requires of himself: be well prepared, observe the rules of courtroom procedure and decorum, treat every person in the courtroom—whether lawyer, litigant, witness, or juror—treat every person in the courtroom with the greatest measure of courtesy and respect.

There is no more qualified person to serve on the Federal bench in the District of Wyoming than Richard Honaker. You don't have to take my word for it. Ask the attorneys of Wyoming or of the American Bar Association. This outstanding nominee deserves the courtesy of a vote in the committee and consideration by the full Senate. That courtesy is long overdue.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WYDEN. Mr. President, I ask unanimous consent to speak as in morning business for up to 15 minutes.

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

HEALTH CARE

Mr. WYDEN. Mr. President, this morning there was some remarkable testimony given by Dr. Peter Orszag, the head of the Congressional Budget Office, which, in my view, is going to set the bar for how this Congress contains skyrocketing health care costs. Dr. Orszag has zeroed in on the question of health care costs, as my friend from Colorado knows, saying that escalating health care costs are essentially the premier determiner of this country's fiscal condition. So when Dr. Orszag, in effect, lays out what it is going to take for America and the Congress to contain medical costs, it seems to me that is a real wake-up call for this body and for the country.

What Dr. Orszag did is to spell out the extent of the inefficiencies in American health care. We are going to spend this year about \$2.3 trillion on medical care. Dr. Orszag has said that the system is now so riddled with inefficiency that perhaps \$700 billion of that \$2.3 trillion is going to be spent on care and services that is of relatively little value as it does not contribute toward improved health outcomes.

Given this enormous economic challenge for our country—and, in effect, economic insecurity to a great extent

is determined by rising health costs and rising gasoline prices—I wanted to get to the bottom of what the Congressional Budget Office thinks is going to be necessary to contain medical costs. So what I asked Dr. Orszag, specifically, was about his sense of what it will take to bend the health cost curve downward. Dr. Orszag said, in response to my questions, that it is going to take two things:

First, it is going to be essential to demonstrate to our people very directly how much these inefficiencies cost them, for example, in their reduced take-home pay at work. Second, Dr. Orszag made it very clear that to contain cost and to wring out these inefficiencies, it is going to be necessary for the Congress to pass health reform legislation so that in a more efficient, more fair health care system our people will have a new financial incentive to select health care carefully.

The reason I say Dr. Orszag set the bar today for containing health costs is because it is clear there are a lot of ideas for how to go about this task. I know the Senator from Colorado is very interested in health information technology, for example—virtually all Senators are—and all those new approaches are going to be very important. But I asked Dr. Orszag was it the only way that you could contain costs, to take those two steps—one to make sure people see directly what they lose if we continue a system with all these inefficiencies; and, second, what happens if there are no new financial incentives—and Dr. Orszag said very specifically that to contain medical costs you need to take those two steps: demonstrate to people what they are losing and give them new incentives to hold down costs.

Now, I have been honored to be able to join with 16 Members of this body, 8 Democrats and 8 Republicans, around legislation that is built on the two principles that Dr. Orszag affirmed today are going to be essential to contain health care costs. We make sure everybody understands what the implications are for propping up all these inefficiencies in their wages, because for the first few years under our legislation we would stipulate that workers are entitled to the cash value of what their employer is now spending on health care. So with that requirement, we address what Dr. Orszag has said is essential—to demonstrate to workers what they lose out on with the status quo.

The second thing we do in our legislation, which tracks Dr. Orszag's plan to contain costs, is we make sure that in a new system—where insurers have to take all comers, where people are part of a large group so that they have bargaining power, where there are lower administrative costs because you use the tax system to sign up people, and there is uniform billing—we also give a cash reward to individuals for making more careful purchases of their health care.

For example: Under our legislation, if their employer has spent \$15,000 on their particular health care, and the individual worker either chooses an employer's package or, say, another package, and the package they chose would cost \$14,200, that individual worker has \$800 in their pocket to go on a great fishing trip in Oregon or Colorado, where we have some of the best recreation in the country.

So in our legislation, by way of giving a reward to workers, a cash reward for a careful selection of their health care, we do what Dr. Orszag has recommended as the second approach for containing medical costs.

I made clear this morning—and I especially appreciate Chairman BAUCUS's leadership because these hearings are a follow-up to our Finance Committee summit—and Chairman BAUCUS has made it clear we are going to work in a bipartisan way. He and Senator GRASSLEY, in my view, are sort of the example of how to work in a bipartisan fashion. I said this morning I think there are probably other approaches that ought to be examined in this whole discussion, but what we do know from this morning is that Dr. Orszag has said you have to have those two essentials to contain costs—workers understanding what they lose out of the current system and new financial incentives for making careful purchases.

That is why it seems to me that what Dr. Orszag did today was to set the bar; to, in effect, lay out a vision of what it is going to take to hold down medical costs. It seems to me, when we look at the double whammy our people are facing today—the combination of skyrocketing medical bills and getting clobbered at the gasoline pump—we see that those are the two areas where you need to take action.

Under the leadership of the Majority Leader, Senator REID, we are going to go after those gas price hikes before the Congress breaks for the recess. I am pleased to be part of our caucus's efforts to work on this and pleased that we are reaching out across the aisle so, hopefully, there will be bipartisan support for our efforts to hold down gasoline price hikes. But I think we need to start laying out, as Dr. Orszag did today, the strategy for holding down medical costs.

I have been very fortunate to be able to work with Senator BENNETT, the Senator from Utah, as part of a group of 16 Senators—8 Democrats and 8 Republicans—in what is the first bipartisan effort in the history of the Senate. This is the first time where there has been a significant coalition, a bipartisan coalition, working for universal coverage. Today, what Dr. Orszag did was to affirm the guts of what we have been advocating for. He affirmed it specifically, that this was a way to achieve the cost containment in our health care system that is so essential. There may be other ways, but this is one way to do it. We now have an opportunity over the next few months, as

we get ready for a new President, to work together, Democrats and Republicans, to address this critical question.

I will close with one last comment. On the floor last night were Senator LANDRIEU and Senator CRAPO. I am very honored to have both of them as cosponsors of the Healthy Americans Act. We were talking about older workers. Today one of the worst spots to be in is if you are 57 or 58 years old and you are laid off from your job, because if you are laid off at 57 or 58, you go off into the broken individual health insurance market. You better not have any illnesses. It is going to be hard to get coverage. It is going to be very hard to afford it because you are going to be out on your own rather than in a group. And finally, you are not going to get the tax break, if you are all on your own, that you would get if you were with an employer health plan.

The Healthy Americans Act addresses each of those three concerns and, boy, those are not abstract questions for anybody in Colorado or Oregon or Idaho. Ask the GM retirees who got clobbered a few days go. If you are 57 or 58 and you are 8 years away from Medicare, you have a lot to worry about.

Our bipartisan coalition is working, I think, effectively and in the bipartisan fashion it is going to take to address those concerns as well.

I hope colleagues will reflect on what Dr. Orszag said this morning with respect to cost containment. We will have a lot more discussion in the days ahead about the concerns of older workers, as we started last night with Senator LANDRIEU and Senator CRAPO. We are especially thrilled that the distinguished Senator from Colorado is a member of the Finance Committee and I know we will have a chance to work together on those issues as well.

ORDER FOR RECESS

Mr. WYDEN. Mr. President, before I yield the floor, on behalf of the majority leader I ask unanimous consent the Senate stand in recess from 2:30 to 3:45 today.

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

Mr. WYDEN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak as in morning business for up to 15 minutes.

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

ENERGY

Mr. CRAIG. Mr. President, I came to the floor on June 19 to address my colleagues and the Senate about energy prices, as many of us have, because there is no question that the Senator from Colorado and I, when we go home on the weekends, hear as the No. 1 concern on the part of Coloradans or Idahoans their energy bill—the price of gas at the pump.

We are big western States. We travel long distances. When you roll into a gas station with your Ford F-150 and you start filling it up and you drive away, because it has dual tanks on it, having paid over \$100 to fill it, you have a problem. You have a problem because you had bought that vehicle to facilitate your ranch or your farm or your job and you had anticipated that the most you would probably ever pay was \$25 or \$30 to fill up. That is what you budgeted. That is what you understood the economic impact of that vehicle, necessary to your job or your business, would be on your job or your business. But in less than a year, that changed.

That is the working man or woman's side of it. What about the soccer mom who travels around all over the community every day, dropping off her kids and going to the store and picking up goods and services and coming home and all of a sudden having an energy bill in the family budget that she and her husband had never anticipated would be there. We all know their salaries or their jobs are not going to compensate them because they are going to spend \$500, \$600, \$1,000 or \$2,000 more this year on their energy bill. That is only at pump, let alone at the meter that monitors the electricity at their home that is going to be going up; and the natural gas that is going to go through and into their heating systems and their stoves. That is going to be going up. There is no way for them, other than taking money from something else in their life, to offset that impact.

Those people such as myself who spend a good deal of time, and have for 28 years, on the issue of energy, were very fearful that a day such as today would come, a day of reckoning, a day when our country that, almost 20 years ago, decided it would no longer be a producer but because of environmental policy and political attitude, we began to change. We decided we would try to offset production with conservation and, in large part, we said to the energy-producing segment of our economy it could no longer drill in America, go elsewhere.

I will never forget meeting with the President of Amoco in Los Angeles about 15 years ago. He opined to me that the day would come when his company would have to leave this country because it could no longer produce in this country—and that is what happened. And doggone it, that is the truth. You can document it. You can see it happening. It happened. We put millions of acres off limits for one reason or another but largely because of an attitude in this country that somehow we were going to muck it up a little bit environmentally and we ought to leave it alone and it ought to be pure and it ought to be pristine. And, oh, by the way, energy is cheap. It was inexpensive at the time and we could buy it from somebody else. So basically we set the rest of the world to

producing and we became increased consumers and increased buyers of foreign oil.

During that last 20-year period, something else began to happen. The oil we were consuming was no longer owned by companies we had interests in, it was owned by nations. It was owned by nations that were sometimes friendly to us, sometimes not so friendly to us, but nations that began to recognize they could gain the wealth of America by selling it oil because America no longer wanted to produce. We grew from about 35 percent dependent upon oil when I came to Congress in 1980, to, today, nearly 70 percent dependent. And those nations have us right by the gas nozzle today. They can do what they want. They are reaping our wealth at unprecedented rates—\$1.2 billion a day—and they are turning around and buying back our companies and buying back our real estate with our money. But it is now under their ownership.

The greatest wealth transfer in the world is taking place as we speak, as America drains itself dry for the need of energy, and a Congress unwilling to act responsibly and having failed to act responsibly for the last 20 years. It is a dilemma unparalleled in American history.

When I came to the floor on June 19, I said there is an old country western song that says “a little less talk and a lot more action.” That was June 19. Now we are into mid-July. Oil prices went up nearly \$15 more a barrel during that period of time and gas went from about \$3.90 on average to \$4.11 on the pump nationwide. Guess what. We still got a lot more talk but very little action.

Why is America angry today at their politician? Because their politician is fearful of action.

I once voted to lock up ANWR. I once voted to put off limits drilling out on the Outer Continental Shelf. It was for all my environmental friends. How do I change? How do I shift the political gears to meet the American people today who are saying simply go where the oil is, explore and develop and bring it on line. We need it desperately. It is draining our pocketbooks dry.

That is the domestic economics side. What about the national security side, when we are 70 percent dependent on foreign oil? So it is a national domestic economic issue and it is a U.S. national security issue. Guess what, folks. A lot more talk and hardly any action. So when the President stepped up a month ago and said why don't you in Congress lift the ban on Outer Continental Shelf oil drilling, I turned around and called the White House and said: Why don't you, Mr. President? You did it by Executive order a couple of years ago for the politics of Florida. Why don't you act?

He did act. He acted last week, in a responsible fashion, to lift the Executive order that limited the exploration