

After 32 years in broadcasting, Jackie has earned a well-deserved rest, and I know she is looking forward to spending more time with her husband Paul, their two daughters, and their dogs. Jackie and Paul are avid horse riders, and I hear they just got a new horse named Chipper.

But Jackie will be greatly missed by the people of Louisville and the surrounding area. Every day, through the television, viewers have welcomed her into their homes. Now we should stop and recognize that we have welcomed her into our community and our lives as well. So I just wanted to take this moment to thank her for her incredible career on behalf of Kentuckians everywhere.

Mr. President, I yield the floor.

#### SERVICE MEMBERS HOME OWNERSHIP TAX ACT OF 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 3590, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3590) to amend the Internal Revenue Code of 1986 to modify the first-time home buyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes.

Pending:

Reid amendment No. 2786, in the nature of a substitute.

Dorgan modified amendment No. 2793 (to amendment No. 2786), to provide for the importation of prescription drugs.

Crapo motion to commit the bill to the Committee on Finance, with instructions.

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 5 hours for debate, with 2 hours equally divided between the Senator from Montana, Mr. BAUCUS, and the Senator from Idaho, Mr. CRAPO, or their designees, 2 hours equally divided between the Senator from North Dakota, Mr. DORGAN, and the Senator from New Jersey, Mr. LAUTENBERG, or their designees, and 1 hour under the control of the Republican leader or his designee.

Who yields time?

The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, for the benefit of all Senators, let me lay out today's program.

It has been more than 3½ weeks since the majority leader moved to proceed to the health care reform bill. This is the 14th day the Senate has considered it. The Senate has considered 18 amendments and motions. We have conducted 14 rollcall votes.

Today, the Senate will continue debating the Dorgan amendment on prescription drug reimportation and the Lautenberg alternative amendment to that amendment and we will continue debating the Crapo motion on taxes, for which I have filed a side-by-side amendment as well.

Under the previous order, there will be 5 hours of debate, with each of the

following Senators controlling 1 hour: The Senator from Idaho, Mr. CRAPO; the Senator from North Dakota, Mr. DORGAN; the Senator from New Jersey, Mr. LAUTENBERG; the Republican leader and this Senator.

The Senate will recess from 12:45 to 3:15 for party conferences.

Upon the use or yielding back of the 5 hours of debate, which is likely to be between 5 o'clock and 6 o'clock this evening, the Senate will proceed to vote in relation to four amendments in this order: First, my side-by-side amendment on tax cuts; second, the Crapo motion to commit on taxes; third, the Dorgan amendment No. 2793 on drug reimportation; and the Lautenberg side-by-side amendment No. 3156 on drug reimportation.

Each amendment will need to get 60 votes or else be withdrawn.

Upon disposition of these amendments and the motion, the next two Senators to be recognized to offer a motion and an amendment will be, first, the Senator from Texas, Mrs. HUTCHISON, to offer a motion to commit regarding taxes; and, second, the Senator from Vermont, Mr. SANDERS, to offer amendment No. 2837 on single payer.

#### AMENDMENT NO. 3183 TO AMENDMENT NO. 2786

Mr. President, under the previous order, it is in order for this Senator to offer a side-by-side amendment to the motion to commit, offered by the Senator from Idaho, Mr. CRAPO, and pursuant to that order, I call up my amendment No. 3183.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 3183.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To protect middle class families from tax increases)

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ PROTECTING MIDDLE CLASS FAMILIES FROM TAX INCREASES.

It is the sense of the Senate that the Senate should reject any procedural maneuver that would raise taxes on middle class families, such as a motion to commit the pending legislation to the Committee on Finance, which is designed to kill legislation that provides tax cuts for American workers and families, including the affordability tax credit and the small business tax credit.

Mr. BAUCUS. Mr. President, during the Presidential campaign, President Obama promised not to raise taxes on Americans who earn less than \$200,000 a year or American families who earn less than \$250,000 a year. That was his promise. This bill keeps his promise.

This bill will provide tax credits to help American families, workers, and small businesses to buy quality health

insurance plans through new fair and competitive marketplaces called insurance exchanges.

The Congressional Budget Office expects that by the year 2019, 25 million Americans will buy health insurance plans through the new exchanges. The vast majority of those Americans—about 19 million—will receive tax credits; that is, tax reductions, or help paying their copays and other out-of-pocket costs. These tax credits will reduce their health insurance costs by nearly 60 percent.

This bill does not raise taxes on the middle class. This bill is a tax cut for Americans.

Over the next 10 years, the health care reform bill will provide \$441 billion in tax credits to buy health insurance for American families, workers, and small businesses—\$441 billion in tax credits. Americans affected by the major tax provisions of this bill will receive an overall tax cut of 1.3 percent in the year 2017. That is a total of \$40 billion. That is an average of almost \$450 for every taxpayer affected. That same year, 2017, low- and middle-income taxpayers who earn between \$20,000 and \$30,000 a year will see an average Federal tax decrease of nearly 37 percent. I will repeat that. I think it is astounding. People with incomes between \$20,000 and \$30,000 a year will receive an average Federal tax decrease of nearly 37 percent. In that same year, 2017, the average taxpayer making less than \$75,000 a year will receive a tax credit of more than \$1,300. In 2019, 2 years later, that tax credit will grow to more than \$1,500.

Without this tax cut, many individuals and families will continue to forgo health care because it costs too much. We make it easier for people to buy health care with those tax cuts.

In addition to a tax cut, this bill also represents increased wages in the pockets of millions of Americans. Even my colleague from Idaho agrees that as a result of this bill, Americans will see increased wages. He said that exact thing on the floor last week. As a result of this bill, many Americans will see increased wages.

Senator CRAPO gave the example of an employee, the value of whose health insurance decreased but whose overall compensation did not decrease. As a result, the employee would receive additional wages.

Why are workers going to complain that they are paying more in wages because they have more money in their pocket? If incomes are going up, their wages are going up. Clearly, their taxes are going to go up correspondingly, but obviously the taxes are not going to go up by as much as the wages.

I have a letter from the Congressional Budget Office, dated November 18, that states just that. On page 18, the Congressional Budget Office says:

If employers increase or decrease the amount of compensation they provide in the form of health insurance (relative to current law projection), the Congressional Budget

Office and the Joint Committee on Taxation assume that offsetting changes will occur in wages and other forms of compensation—which are generally taxable—to hold total compensation roughly the same.

I have a chart behind me that shows that very point for each of the years this bill is in effect. Looking, first, over to the left—the chart shows from 2013 up to 2019, but on the far left, the green is the percent of total tax revenue due to increased wages. That is wages increasing. The white is the percent of total tax revenue due to excise taxes, the increased taxes the person will have to pay. Wages far outstrip the taxes. The increase in wages is far greater, according to the Congressional Budget Office and the Joint Committee on Taxation.

Just to repeat, as that chart illustrates, the overwhelming majority of revenue raised from the high-cost insurance excise tax will come from increased wages. Only 17.5 percent of the revenue will be attributable to the excise tax. The rest, more than 82 percent, will come from employees getting more than their compensation wages and less in inefficient health coverage.

I urge my colleagues to recognize the Crapo motion to commit for what it is—and what is that? It is an attempt to kill health care reform. That is all it is all about, nothing more, nothing less. Senator GRASSLEY said as much last week. Senator GRASSLEY asked us to vote in favor of the motion to commit “to stop this process right now.” That is a direct quote.

We must not stop this process. We must not stop moving forward in our efforts to reform health care. Indeed, we must move forward aggressively. Every day we delay, 14,000 Americans lose their health insurance. Every day we delay, 14,000 Americans lose their health insurance. In just a 2-week period, one in three Americans will go without health care coverage at some point. We cannot afford to stop working toward reform. We must reject any attempt to eliminate the very provisions from this bill that provide Americans with a tax cut in an attempt to stop health care reform. Despite Republican claims that they are trying to protect Americans from tax increases in this bill, the facts are this bill is a tax cut for most Americans.

On a related matter, there has been some discussion about the Office of the Actuary analysis of the Senate bill. Let me cover two very key points from that letter.

The Actuary at HHS concludes that this legislation extends the life of the Medicare trust fund by 9 years—9 years. We know the Medicare trust fund is in a precarious position until, roughly, 2017. There are some estimates that this underlying bill would increase the solvency of the trust fund for 4 to 5 more years, say to 2022, roughly. The Actuary, the person who number crunches over at HHS, concluded this legislation will extend the life of the Medicare trust fund by 9

years. That is no small matter. Seniors, near seniors, are very concerned about the solvency of the health care trust fund. This legislation extends the solvency of the health care trust fund by 9 years.

So just think, if this legislation is not passed, the solvency of the health care trust fund will not be extended by 9 years. The Actuary says, the Medicare trustees say it will probably start to become insolvent, the Medicare trust fund, the Medicare trust fund will become insolvent in just a few years—2017. Clearly, it is very important to extend the solvency of the Medicare trust fund. How does this legislation extend the solvency of the trust fund? It is very simple. We cut out a lot of the waste. We cut out a lot of the inefficiency. We make the system work better so the fund is extended for 9 more years.

In addition, the Actuary says this legislation, by the year 2019, will result in about a \$300-per-couple reduction in Part B premiums. In addition to that, the Actuary concludes the legislation will result in about a \$400-per-couple deduction in cost sharing. If you add the two together, that is about \$700. So by the year 2019, as a result of this legislation, according to the Actuary—it is in black and white there—it says right there, in print, there will be about a \$700 reduction in premium Part B and out-of-pocket costs for seniors. That is no small matter. It is a reduction.

On the other side of the floor, we sometimes hear all this rhetoric about increases. It is just that—it is rhetoric. The actual analysis shows a reduction.

I also hear rhetoric on the other side about this legislation resulting in increased premiums for people. Not true. The Congressional Budget Office has concluded that for 93 percent of Americans, there will be a reduction in premiums—a reduction in premiums. To be fair, for those who are already employed, the reduction is not huge, but it is a reduction, nevertheless. It is about a 3-percent reduction in premiums. That is a reduction. We have to keep working to make it an even greater reduction. I daresay—in fact, I know as sure as I am standing here—the reduction will be greater. Why will it be greater? Because a lot of the provisions in this legislation—in my view, the Congressional Budget Office hasn't fully analyzed provisions such as delivery system reforms. We start to bundle competent care organizations. We start pilot projects. The result of that will be a reduction in costs and therefore a reduction in premiums.

Also not calculated is the Commission which will look at productivity. That is not included in the CBO analysis. If that were included in the CBO analysis, the reduction would be even greater. We are talking about the remaining 7 percent—remember, I said 93 percent would get a reduction in premiums according to CBO. The remaining 7 percent don't get a reduction, but

what do they get in return? They get much better insurance because we have insurance market reform in this legislation. No more preexisting conditions. No more rescissions. No more denial based on health status. No more company limitations on annual losses. No more limitations on lifetime losses. So for the same premium, they are going to get a lot better quality. Instead of buying a used car, they are going to get a new car for roughly the same price.

So the analysis of this legislation is very clear: Reduction of premiums, CBO says so; extension of solvency of the trust fund, CBO and the Actuary say so; a reduction in premiums and out-of-pocket costs for a couple by \$700 by the year 2019. That is what the Actuary says.

So this legislation lives up to the promise we made earlier. It does not raise taxes for people making under \$200,000. I think the legislation should clearly be passed.

Let me say this too. Someone once said—and I will conclude here—that the status quo is really not the status quo. If this legislation is not passed, the result is not the status quo; the result is we move backward. We have two choices. Either we move forward as a country and seize this opportunity to tackle health care reform and do our very best to get it right or we don't; we do nothing, and we keep sliding backward. Think of the repercussions of not passing this legislation. Think of it. First of all, tens of millions of people will not have health insurance. That, in itself, is pretty profound. Second, we will not have health insurance market reform. We will still have denial based on preexisting conditions, which is basically what the other side is arguing for.

We would not cut down health care costs, which our businesses need so much, and families need so much, and our budgets need so much. Remember, I mentioned the legislation extends the solvency of the Medicare trust fund.

That is emblematic of some of the savings that we have in other government programs, too, because health care costs are rising so much. Medicare is in tough shape, and so is Medicaid because health care costs are rising so much. The CBO and the Actuary say we are controlling health care costs.

The PRESIDING OFFICER (Mr. BEGICH). The Senator from Idaho is recognized.

Mr. CRAPO. Mr. President, I ask unanimous consent to speak for up to 40 minutes and to use that time in a colloquy with other colleagues.

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

Mr. CRAPO. I also ask to be notified when there are 5 minutes remaining.

The PRESIDING OFFICER. The Chair will do so.

Mr. CRAPO. Mr. President, I am going to engage in a colloquy about the pending motion on which we will vote later this afternoon or early this

evening. It is a motion to commit the bill to the Finance Committee and have the Finance Committee make the bill comply with the President's pledge. Here is the pledge:

I can make a firm pledge . . . no family making less than \$250,000 will see their taxes increase . . . not your income tax, not your payroll tax, not your capital gains tax, not any of your taxes.

. . . you will not see any of your taxes increase one single dime.

I heard my colleague from Montana say the bill complies with this pledge. If that were true, then there would be no harm in having the Finance Committee scour through it and make sure it does and refer the bill back to make sure it doesn't tax the middle class.

The reality is, it is very clear this legislation violates this pledge of the President. As a matter of fact, there are over \$493 billion of new taxes in this bill meant to offset the \$2.5 trillion during the first full 10 years of implementation of spending in the bill.

If you will look at the next chart, at the graph on taxes, the first 10 years—this includes the fees also imposed that CBO and Joint Tax said will be passed right on through to the consumer. There are \$704 billion of taxes and fees in the first 10 years of the bill. If you look at the 10 years of full implementation, meaning when the spending actually starts, the taxes and fees are actually \$1.28 trillion.

My colleague says this is a net tax cut bill, and it complies with the President's pledge because when you take all of the refundable tax credits in the bill and offset against the tax increases, there is a net reduction in tax. In the first place, that is not true when you take into account the fees. I don't think that is what the President was talking about. He didn't mean, did he, that you will not see your taxes go up more than someone else's taxes go down? No, he told people in America they would not see their taxes go up.

Yet what this bill does, according to the Joint Tax analysis, is, by 2019, at least 73 million American households earning below \$200,000 will face a tax increase.

If that is not violating the President's pledge, I don't know what is—even if you take the numbers that the majority is trying to use and claim that those are tax cuts.

Here is the next chart. What my colleague from Montana is talking about is about \$400 billion of what are called refundable tax credits. He wants to offset these tax credits in the bill against the hundreds of billions of dollars of tax increases, and then say there is a net tax cut and, therefore, no problem.

First of all, that is a problem. Secondly, what is a refundable tax credit? The \$288 billion, or 73 percent of the so-called tax credit—or tax cuts that my colleague from Montana is talking about—are payments by the Federal Government to individuals or families who do not have tax liability. It is a direct government subsidy. The CBO

scores these payments as a Federal outlay, as spending, not as tax relief, and that is exactly what it is. I think it is a little bit less than credible to say that we have a tax cut bill when three-fourths of the so-called tax cuts don't even go to reduce tax liability for taxpayers.

Mr. ENSIGN. Will my colleague yield?

Mr. CRAPO. Yes.

Mr. ENSIGN. Would the CBO—which is nonpartisan—score a welfare payment the same as these so-called tax credits?

Mr. CRAPO. Yes, that is right. A payment of a subsidy to an individual in the United States would be scored as a Federal outlay, or spending, as is a refundable tax credit paid to an individual who has no tax liability.

Let's assume we even accept the argument that is a tax cut. Even if you offset all of that, remember the chart a minute ago that said 73 million people would pay taxes. Even if you give them credit for that argument, there are still going to be 42 million people making less than \$200,000 a year who will face a net tax increase. That is a violation of the President's pledge.

All this motion does is send the bill back to the Finance Committee, which writes tax policy, to correct that. The motion helps this bill comply with the President's pledge.

The Senator from Montana also used another example, trying to say some of these people who are paying more taxes are getting higher wages. This is the game that is going on. The employer of these people the Senator was talking about today provides a salary and health care to that employee. In this example, it is \$50,000 of wages and \$10,000 of health care benefits. This bill will now impose a hefty 40- or 45-percent tax on this health care plan because it is too good of a health care plan.

What CBO and Joint Tax tell us is that because of that immense tax—40- to 45-percent tax—the employer is just going to cut the health care plan down to where it is not taxed anymore and provide those dollars with an increased wage. So this young lady will get maybe \$53,000 in wages instead of \$50,000 and only \$7,000 of health insurance, and her net employment compensation will still be the same, \$60,000—except she will pay taxes on an extra \$3,000. So her net employment package will go down not up, and 73 million Americans like her will end up with a smaller employment package, less health care benefits, and increased Federal tax liability. That is the way the bill works.

For issue after issue, there are taxes after taxes in this bill that will be paid by the people in this country who earn less than those on the threshold the President identified. That is why we simply ask that the bill be sent to the Finance Committee to have this violation of the President's pledge, this bad policy of increasing taxes on the mid-

dle class in America to pay for a huge new government entitlement program, be removed from the bill.

Mr. BARRASSO. Mr. President, I ask my colleague this: I was reading a national publication yesterday, and the headline is "Making Nightmare Out Of Health Care." It says taxes will go up. This also says the proposed overhaul contains, at last count, 13 different tax hikes. It goes on to say the Joint Tax Committee said that for any one person who may end up paying lower taxes, there will be nearly four times as many—close to 70 million people—who will pay higher taxes.

That is why I have been waiting for a week now to vote for the Crapo motion. This was introduced last Tuesday. A whole week has passed, and the Democrats have been filibustering and preventing us from voting on this very important amendment, which the American people agree with—that we ought to eliminate these taxes and stick with what the President promised the American people.

As a result of the President's promises, I read a recent CNN poll. It says that 61 percent of Americans oppose this bill the Democrats are proposing. It gets to the specific question of tax increases and the President's promise. It says:

Do you think your taxes would or would not increase if this bill passes?

And 85 percent of the Americans polled said they believe their taxes will go up.

I ask my friend from Idaho—it seems to me the American people get it; they realize they are going to be hit hard with this \$500 billion of tax increases, 13 different taxes, which will get put on the backs of the hard-working people of our country.

Why is it that we are not allowed to vote on this motion? I will vote for it. I appreciate the Senator from Idaho bringing this motion forward because, clearly, the support of the American people is behind him.

Mr. CRAPO. I thank my colleague. I will give some statistics on the point. The Joint Tax Committee analyzed just the four biggest tax provisions—not all of them—and they concluded that only 7 percent of Americans would be receiving these so-called tax cuts, which are really spending subsidies but have been characterized as a tax cut in order to argue that the bill doesn't increase taxes. Only 7 percent of Americans will receive those, which represents about 19 million people, but 157 million people—almost 8 times that amount—who get health insurance through their employer will not be eligible for these credits. They will pay, on average, somewhere between \$593 to \$670 a year, depending on their income categories, in new taxes that are put on their shoulders in this bill.

I notice that my colleague from Tennessee wants to say something.

Mr. ALEXANDER. Mr. President, I congratulate the Senator from Idaho

for his amendment to help the President keep his commitment. That is basically what it is. I would think our friends on the other side would all want to join us in that. The President said he would not raise taxes on people making less than \$250,000 a year.

It is amazing to hear the comments that I have just heard. The whole construction of the bill—when we think about it, regardless of whatever the Democrats decide to do about the so-called public option, they still seem determined—at least the majority leadership seems determined—to engage in this political kamikaze mission toward a historic mistake. There is all this talk about history. But there are lots of different kinds of history.

A lot of historic mistakes have been made about taxes. For example, there was the Smoot-Hawley tariff of 1930, which was a big tax. It sounded like a good idea. President Hoover, a Republican, recommended it to protect American jobs by keeping out cheaper foreign products. That led us into the Great Depression. It was a historic mistake. More recently, there was the boat luxury tax. This sounds good. It was part of the budget deal of 1990. Congress put a 10-percent luxury tax on boats costing more than \$100,000. Sound familiar? We were going to hit the rich people. But it got the working people, not the rich people. The unintended consequence was that it sank the boat industry, costing 7,600 jobs, according to the Joint Economic Commission, and Congress repealed that historic mistake. There was also the Medicare Catastrophic Coverage Act of 1988, another good-sounding goal, to help older people reduce the risk for illness-related catastrophic financial losses. But a lot of our senior Americans resented the idea of paying additional taxes for that coverage, and they revolted. Congress, less than a year and a half later, repealed it.

We all remember the millionaires tax. That is a matter of history. In the late 1960s, there were 155 high-income Americans who weren't paying any Federal income taxes, so Congress imposed something called the alternative minimum tax. Last year, that affected 28 million American taxpayers.

I say to my friend from Idaho, I think he is doing the country and the President a great service by offering this amendment to help keep the promise because whatever the majority leader decides to do about the government option, this legislation—when fully implemented—still contains \$1 million in Medicare cuts 5 years before Medicare is scheduled to go broke, according to their trustees.

It is nearly \$1 trillion in new taxes over 10 years when fully implemented, as the Senator from Idaho has pointed out. There is no question about that, it is an increase in premiums for most Americans, according to the Congressional Budget Office. And yesterday on this floor, we talked about the huge bill we are about to send to States to

help pay for this in the Medicaid Program.

It is important to support the Crapo motion. It is important for our country not to have this historic mistake thrust upon them.

Mr. ENSIGN. I would like to jump in here and ask the Senator from Idaho a question. From what I understand, the taxes go into effect—actually, this is from yesterday, so I think it would be in 17 days from now based on the current bill before us. All of these taxes the Senator from Idaho has on his chart are all the taxes the President said he would not violate. The article yesterday said 13 taxes. We know of at least nine absolute taxes that would go into effect. But the tax subsidies, these payments to folks who do not have a tax liability, those are not received for 1,479 days; isn't that correct?

Mr. CRAPO. The Senator from Nevada is correct. The fact is, the taxes start on day one of the bill. The spending, which is what these alleged tax cuts are that my colleague from the other side was talking about, does not start until the fourth year or 2014. And that is just one of the gimmicks in the bill in order to claim it does not drive up the budget—have 10 years of tax increases and only 6 years of spending to offset against it. I think that is how they started the spending days. They figured out how long they had to delay it so they could claim it would not drive up the deficit.

Mr. ENSIGN. I want to address one of these taxes, the so-called Cadillac tax that the Democrats have put into this bill. The problem is, they did not index it for inflation. As time goes forward, with the red line as the threshold, the Democrats indexed it for what is called the consumer price index plus 1 percent. That goes up a little bit. The problem is, medical inflation is going up much faster. What happens is—the blue line is the average plan in the United States—that is how fast it is going up. We can see that is much higher. At this point, it starts catching most of the plans in the United States.

This 40-percent tax the unions are running ads against right now is going to start getting almost all Americans' plans in the future. That is the reason a lot of people do not realize this is a tax. It may not get them today, but it is going to get them eventually. What is going to happen is this tax will be passed on to them in lower benefits.

Mr. CRAPO. The Senator from Nevada is correct.

Before I toss the floor to the Senator from Texas who wants to make some comments, I point out that the point the Senator from Nevada made is statistically made by Joint Tax:

By 2019, at least 73 million American households—

That is not 73 million Americans, that is 73 million American households—earning below \$200,000 are going to face these tax increases.

Mrs. HUTCHISON. If I may respond to the Senator from Idaho. I was think-

ing, when the Senator from Tennessee was talking, about the luxury taxes and how everyone thought that felt so good to have a tax against luxury boats. And who suffered? The workers. Then there was the catastrophic Medicare coverage which resulted in a tax on seniors who had that coverage. Seniors erupted, and that was repealed. Then that is followed on by what the Senator from Nevada talks about—the Cadillac plan, which is the high-end plan of coverage.

I thought, maybe Congress has learned something. Maybe the Democrats are on to something. They have listened to the history of all of these good-sounding taxes on rich people or people who buy expensive things. As the Senator from Nevada has pointed out, they have now learned they probably ought to go ahead and tax both ends instead of just the high end because in this bill, you have a tax on the high-end plans. You have a tax on employers who provide too much coverage. Oh, but we also tax the people who do not have any coverage. If it is too small, you get taxed, and if it is too big, you get taxed. It seems that maybe the Democrats learned the wrong lesson. It is not that you tax just the rich or the people who buy expensive things, it is that you tax both ends to make sure you get every little drop of taxpayer dollars.

I think we have shown on this floor from the endless hours of debate that everyone in America is going to be taxed because the taxes that take effect in 3 weeks' time under this bill, January of 2010—the major tax increase takes place, and that is the tax increase on prescription drugs; on insurance companies that are going to have to raise their premiums; the drug costs are going to go up; and medical equipment, which is essential for seniors, especially for everyone who needs some form of equipment, the equipment manufacturers are going to have a tax. Mr. President, \$100 billion in new taxes starts next January, 3 weeks from now. Every person in America is going to pay taxes in the form of higher prices starting in 3 weeks.

The Senator from South Dakota and I are sponsoring legislation because the next question will be: Oh, my goodness, if we are going to be taxed in 3 weeks, surely we are going to have some sort of benefit offered in 3 weeks, some sort of low-cost health plan or option. Three weeks, surely. Oh, no, we are not going to have any of the plan that would offer options to people—not in 2010, not in 2011, no, not in 2012, not in 2013, not 2014.

So all these higher prices are going to start kicking in in January, and then we are going to have the Cadillac plan that the Senator from Nevada mentioned in 2013, all being paid before one supposed benefit would be available. If this is not a bait-and-switch, I have never seen one.

The Senator from South Dakota and I are going to offer the next amendment after the ones that are in the

tranche right now to very simply say: Whatever the bill is in the end, there will be no taxes until there is a plan. Not one dime of taxes could take effect until there is actually some sort of plan available that would, hopefully, give some sort of benefit to people, which is what is being promised.

I ask the Senator from South Dakota if that is his understanding, that we would at least draw a line. Whereas Senator CRAPO's motion, which I support and I know everyone on the floor talking this morning supports, is to say there will be no taxes to anyone who makes under \$200,000. But even if there are taxes in the end, they will not take effect until there is some sort of plan available for people that is going to help Americans who do not have coverage and for whom we are not able to lower the cost, which is what the Republicans are trying to do. At least we would set that deadline.

I ask the Senator from South Dakota what he has been hearing about this bill.

Mr. THUNE. My colleague from Texas is exactly right. Her motion and the motion I am cosponsoring, which we hope to vote on next, will be a follow-on motion to the motion the Senator from Idaho is offering.

It seems a basic principle and a matter of fairness to the American people that if you are going to create public policy, that you do it in a way that treats people fairly and does not raise their taxes before a single dollar of the premium tax credits and the exchanges that are designed to create the new insurance product for people would take effect. That is what this bill does.

The motion of the Senator from Idaho commits all of the tax increases—and I will support that wholeheartedly, and I hope my colleagues in the Senate will do the same because these tax increases are the absolute worst thing we can do at a time when we have an economy in recession and we are asking small businesses to lead us out of the recession. Seventy percent of jobs in the country are created by small businesses. It is much higher in my State of South Dakota. These tax increases could not be more poorly timed in terms of getting the economy restarted and creating jobs for Americans and getting them back to work. Since most people get their insurance—at least currently—through their employer, one of the best things you can do to provide insurance is to put people back to work. This bill has the opposite effect. It is a job killer because of all of the tax increases. Every small business organization has said that. That is why it is so important we support the motion of the Senator from Idaho.

Senator HUTCHISON and I will also offer a motion—hopefully, we will get a vote on it later—that at least will delay the tax increases until such time as the benefits begin. It essentially aligns the revenue increases and the benefits so they are synchronized and

you do not have this period of 10 years where you are taxing people for 10 but only delivering a benefit for 6. Again, I think that violates a basic principle of fairness most Americans should expect when it comes to their elected leaders making public policy which will have a profound impact on them and their lives. I certainly hope we get a vote on that motion, and I hope our colleagues will support it. To me, it is unconscionable that you would raise taxes by \$72 billion, which is what this does, up until the year 2014 before the premium subsidies and the exchanges kick in which would deliver the benefits that are supposed to be delivered under this bill. The Senator from Texas and I look forward to getting a vote on that motion.

I hope we can win on the Crapo motion later today.

I appreciate my colleagues being here to point out how important it is that we have public policy that is fair and also that we not do things that are counter to job creation at a time when we are asking small businesses to get out there and create jobs and make investments.

Mr. BARRASSO. The Senator from Idaho had a picture of a woman making \$50,000 and the health benefits that resulted. My concern is not just her taxes; my concern is also her job. It is also a fact that she would still have a job.

What I hear from the people of Wyoming is: Don't raise my taxes, don't cut my Medicare, don't make matters worse than they are right now in this economy where we have 10-percent unemployment.

Like the Senator from South Dakota, I am a member of the National Federation of Independent Business. I have been a member for years. They are telling us that as these taxes are raised and collected in 2010, 2011, 2012, 2013, in 2010 we are going to lose 400,000 jobs in America, and in 2011 another 400,000, and another 400,000 after that, and another 400,000, as the taxes continue to be collected. So we would be losing in this country 1.6 million jobs as a result of these increased taxes all Americans are going to have to pay.

I ask the Senator from Idaho, isn't it even more critical that we pass his motion in addition to the fact that we do not want these taxes? They are going to hurt our economy across the board.

Mr. CRAPO. The Senator from Wyoming is exactly right. It is the wrong thing to do when our economy needs to be strengthened and restarted, if you will, to apply a huge amount of new taxes.

Let's take the example we talked about earlier. This young lady, under the bill in the Senate right now, will not only see her health benefits go down, but the net value of her compensation package will go down. She will get a little extra wages in order to offset the reduction of her health care benefits, but those will be taxed and her net compensation package will go down.

The point here is this—and it is a little bit ironic that today the Democratic caucus is going to be meeting with the President at the White House in yet one more closed-door meeting where they are going to be trying to redraft the bill in order to get around some of the problems, which I hope they will let the American people see to debate before they try to vote on it again.

It is ironic, as Democrats come out of that caucus, if they do not support this motion, they will be violating two of the President's pledges. One, after meeting with him, they will be violating his pledge not to tax Americans who make less than \$200,000—\$250,000 for a family—as well as his pledge: If you like it, you can keep it.

This young lady, if she likes her package, cannot keep it. She will not have that option. Her \$10,000 health care package will be reduced at least \$2,000 to the minimum new government-designed acceptable policy and probably a little more than that. She will see a 20- to 30-percent reduction in her health care package against her will. I would be willing to bet she would prefer to keep the one she has now. Most Americans like the insurance they are getting through their employers.

Mr. ENSIGN. I would like to ask the Senator from Idaho a question. These are the nine taxes we know for sure that are being raised: 40 percent Cadillac plan, a separate insurance tax, an employer tax, a drug tax, a lab tax, a medical device tax, a failure to buy insurance tax, the cosmetic surgery tax, and the increased employee Medicare tax.

In our States, people think we will pass a sales tax, and the business will just pay the sales tax. I ask the Senator from Idaho, who actually pays the sales tax? Who have the Congressional Budget Office and the Joint Committee on Taxation, which are both non-partisan, said are going to pay these taxes?

Mr. CRAPO. The Senator was there when the Joint Tax and CBO experts were asked this question. They squarely and directly said these taxes and fees will be passed on, virtually 100 percent, to consumers, which means two things. First, the ones that are taxes will just be taxes passed on to the consumer, as shown in the example of the young lady we looked at. The ones that are fees will simply be passed on in the form of higher costs for medical services or higher premiums, which is one of the reasons why, contrary to the assertions by the other side, this bill will drive up the cost of health care and will drive up the cost of premiums, not down.

Mr. ENSIGN. The last thing I would like to point out goes along with the Senator's chart. This is what the Joint Committee on Taxation has said: 84 percent of all the taxes being paid in this bill are being paid by those making less than \$200,000 a year. If this is

not a direct violation of the President's promise not to raise one dime of their taxes, I don't know what is. I don't understand how the President can sign this bill and keep to the promise he made during the campaign.

Mr. CRAPO. I agree with the Senator from Nevada. It is disturbing to see the responses. First, the response that this bill actually doesn't increase taxes; it cuts taxes. That flies right in the face of the reports and analysis by Joint Tax and CBO. I encourage everybody to read this bill. It is available on my Web site and on the Republican Web site and on the C-SPAN Web site. In addition, we will put up a reference to where you can find the bill to read it if you want to parse through it to determine who is telling the truth. The bottom line is, this bill increases taxes in the first 10 years by \$493 billion. When you add fees to that, it is more like \$700 billion. If you counted the first full 10 years of implementation, it is over \$1 trillion of new taxes. The only response to that is to try to say that the subsidies for health insurance for those who are not able to purchase their own insurance are tax cuts, even though three-fourths of them go to those who are not, at this point, at a level where they are incurring a tax liability.

Mr. THUNE. My understanding is, those premium tax credits actually go to the taxpayer. When you say this is a tax cut for people, does it end up in the pockets of the average taxpayer?

Mr. CRAPO. The Senator from South Dakota is correct. In fact, this subsidy is not paid to the individual. It is paid directly to the insurance company. Of the one-quarter of people receiving this subsidy who do actually pay income taxes, their income taxes will, in fact, stay the same. They are not actually getting a tax cut. What they are getting is a subsidy for the purchase of insurance that is managed through the Tax Code but is paid directly to the insurance company.

Mr. THUNE. That is precisely why the arguments made by the other side that somehow this is a tax cut sort of defy what I think most Americans have come to expect when they get a tax cut; that is, that they get to keep more of what they earn. What we are talking about is a payment that will be made to an insurance company, a tax credit for premium subsidies that will go to an insurance company. There will be very few Americans, as a percentage of the total population, who will actually derive any sort of benefit. My understanding is, about 10 percent of all Americans will get some benefit from the premium subsidies that will go to the insurance company, not directly to the taxpayer; is that correct?

Mr. CRAPO. It is actually 7 percent.

Mr. THUNE. So we have a very small number of Americans who will derive a benefit. But you have a whole lot of Americans who will actually be paying the freight. The Senator mentioned earlier—I saw his chart—that 73 million Americans are going to end up

with higher taxes as a result. Many of the premium tax credits, if you could give credit to the taxpayers receiving this, which you can't because it goes to the insurance company, but if you could, three-quarters of that will go to people who currently have no income tax liability. It seems as if the advertising on this is very inconsistent with reality and the facts. The fact is, most Americans will see taxes and premiums go up. Very few Americans are going to get some premium tax credit to help subsidize their premium cost, and that will go directly to the insurance company. I understand the Senator from Idaho and the Senator from Nevada are both members of the Finance Committee. They have been involved with this from the beginning. That is my understanding of this, which is hard to fathom how that constitutes a tax cut.

The PRESIDING OFFICER (Mr. BENNET). The Senator from Idaho has consumed 35 minutes.

Mr. ALEXANDER. I agree with the Senator from South Dakota. People who might be watching this must be thinking: Wait a minute. Let me ask the two members of the Finance Committee: What the Democrats are trying to say is, a Medicare cut is not a Medicare cut and that a tax increase is not a tax increase and that a premium increase is not a premium increase. Isn't it true that when the bill is fully implemented, there will be nearly \$1 trillion in Medicare cuts, and isn't it true that there will be nearly about \$1 trillion, when fully implemented, in new taxes? Isn't it true the Congressional Budget Office has said that will all be passed on to people? Isn't it true that all the taxes start in January, if the bill passes? Isn't it also true the Congressional Budget Office has said premiums are going to continue to go up and, for people in the individual market, they will go up even more? Isn't that all true?

Mr. CRAPO. I will respond first. The Senator from Tennessee is exactly right. Again, on this chart, these are the tax increases for the first 10 years of the bill, and this chart includes the fees and penalties that are charged as well. The total there is \$704 billion. If you start when the bill becomes implemented or is started to be implemented, in 2014, to compare taxes to spending, the actual taxes and fees that will be collected are almost \$1.3 trillion.

Mr. ENSIGN. There is no question. I can answer the Senator's question: True, true, true, and true. The old saying, if it walks like a duck and it quacks like a duck, it is a duck. These taxes sometimes are called fees. The Supreme Court has ruled that a fee that acts like a tax is, in fact, a tax. Most of the provisions we talked about before, we call them a tax, and that is what they are. These nine new taxes are a tax. You are exactly right. The Joint Committee on Taxation and the CBO have said these are going to be passed on to the consumer. What they

have also said—and I thought this was significant—is that 84 percent of all these taxes are going to be passed on to people who make less than \$200,000 a year. That is what we have been saying. The other side says: We are just going to tax the rich. When 84 percent of that tax burden is paid by people making less than \$200,000 a year and the vast majority is also paid by people making less than \$100,000, the vast majority is being paid by people who make less than \$100,000 a year, the same as sales taxes. The sales tax has been called a regressive tax. These are regressive taxes the Democrats are passing on to the American people.

Mr. CRAPO. I thank my colleagues for coming over and speaking today and discussing this issue with me. I would like to conclude by pointing out, once again, the President said he could make a firm pledge, no family making less than \$250,000 will see their taxes increase, not your income taxes, not your payroll taxes, not your capital gains taxes, not any of your taxes. You will not see any of your taxes increase one single dime. But there are hundreds of billions of dollars in tax increases in this bill that are going to fall squarely to the backs of the middle class.

Our motion simply says: Let's fix that and take it out. The bottom line is, those who are saying that is not the case are trying in the first case to say there are subsidies in the bill that almost equal the amount of these taxes and, therefore, it is a net tax cut. First, subsidies are not tax cuts. Three-quarters of them go to individuals who have no tax liability. The other one-quarter does not reduce the tax liability of the individuals who are getting the insurance subsidy. Even if you accept all of that argument, the President was not saying you will not see net taxes go up in America. The President was not saying: We will not cut or not increase your taxes by more than we will cut someone else's taxes. I don't think anybody expected that was what he was saying. The President was saying he would not raise taxes in this bill. This bill violates that pledge.

Therefore, Members should support the motion to send this bill back to the Finance Committee to fix that glaring problem.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. I suggest the absence of a quorum and ask unanimous consent that the time be divided equally.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak on the



time allotted to the chairman of the Finance Committee relative to his amendment.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DURBIN. Mr. President, there has been a lot of talk about taxes and health care. What we are discussing is this bill. It is a large bill, over 2,000 pages, but we needed all these pages because we are tackling one of the biggest problems facing America. How can we take a health care system that consumes \$1 out of every \$6 or \$7 in our economy and change it for the better, keeping what is good but changing those things that are not so good? One of the things that concerns most of us is the cost of health insurance premiums. Ten years ago, an average family of four paid \$6,000 a year for health insurance. Now that is up to \$12,000. If we are not careful, in 8 years it is projected to double again to \$24,000 a year for health care premiums. Think about that, trying to earn \$2,000 a month in 8 years just to pay for your health insurance, nothing else. That is beyond the reach of individuals and beyond the reach of a lot of businesses. Even today, businesses are dropping people from coverage.

We now have some 50 million Americans without health insurance, and more and more businesses are just putting their hands up and saying: We can't go any further in paying higher premiums.

Individuals who go out on the open market know what they run into. You know you will run into the highest possible premiums and rank discrimination. Try to buy a health insurance policy if you have any history of illness. They will tell you: We are not covering that. Cancer in your back-ground; we will not cover it. That is what people face. This current system is unsustainable. We have tackled it, and we said we are going to put the time in to change it for the better. This is our bill.

I would like to hold up in my other hand the Republican plan for health care reform, but it doesn't exist. They don't have a plan. They have speeches. They have press releases. They have charts. But they don't have a plan. I am talking about a plan that has gone through the rigors of being carefully reviewed by the Congressional Budget Office, a plan that is comprehensive, something that addresses all the problems in this system in a responsible way.

They have bills. They have ideas. I don't want to say anything negative about them, though I may disagree with them. But they don't even come close to being a comprehensive plan. Many of the critics on the other side come to the floor every day and give speeches about what is wrong with the Democratic health care plan because they don't have one. If they did, we would have heard about it. You would have thought it would have been the first amendment offered by the Repub-

lican side, if they truly have such a plan. Of course, they don't.

What does this plan do? First, it makes health insurance more affordable. We have the Congressional Budget Office telling us: Yes, the projected increase in health insurance premiums is going to flatten; it is going to come down a little. It doesn't mean that automatically people are going to see their premiums coming down next year, but they may not go up as fast. And over time, we won't see them doubling as quickly as had been predicted.

Secondly, this is a plan which is going to mean that 31 million Americans who currently have no health insurance will have health insurance. That is pretty important. In all the criticism I have heard from the other side of the aisle, there has not been a single proposal from the Republican side that would expand in any significant way the amount of coverage for Americans when it comes to health insurance. But here are 31 million Americans who will at least have the peace of mind of knowing when they go to bed in the evening that if tomorrow there is a bad diagnosis or a terrible accident, they will be covered; they will have peace of mind they can go to the best doctors and hospitals in America. That is significant.

There is another element too. We know that right now the health insurance companies really have the upper hand when it comes to negotiating for coverage. You know what I am talking about. Your doctor says: I think you need the following procedure, but I have to check with your insurance company. Think about that. We may be the only Nation on Earth where a clerk working for an insurance company has the last word about life-or-death medical care. That is what is going on today.

This bill makes significant changes when it comes to health insurance. It protects individuals from being discriminated against because of pre-existing conditions, makes sure the companies can't run away from coverage when you need them the most, and extends the coverage and protection for children and families. These are important things that are going to mean a lot to people across America.

But now comes the Republican side of the aisle and says: Oh, but they didn't tell you the real story. It is all about your taxes going up. Well, I am afraid that is not quite right. The criticism I have heard on the floor about this bill ignores the obvious: this bill provides the most significant tax cuts in the history of this country—\$440 billion in cuts over the next 10 years. What kind of tax cuts? If you are making less than \$80,000 a year, this bill says: We will be there to help you pay the premiums. That doesn't exist today. If you don't have coverage under Medicaid and you are buying health insurance and your income is below \$80,000 a year—we are providing tax cuts to millions of Americans so they

can afford their health insurance, the biggest tax cut, I think, in the last 20 years or more. In addition, there are tax breaks for smaller businesses. If you have 25 or fewer employees, we will help you and your business provide health insurance for your employees. That is significant.

In fact, the Joint Committee on Taxation takes a look at the new taxes charged and the tax cuts that are in the bill, and they say Americans will pay 1.3 percent less in taxes in 2017 as a result of the bill. So the tax burden on Americans starts to come down while insurance coverage goes up.

But don't forget the hidden tax we pay today. When people show up at the hospital without health insurance, they get care. They see a doctor, they may have x rays and all the procedures and all the medicines. But if they can't pay, the hospital charges the other patients. We all pay. About \$1,000 a year is paid by families now for those who have no health insurance. As more and more Americans are covered, that burden stops shifting over to those who have insurance, and that is a good thing. That hidden tax is largely ignored by the other side of the aisle, but we know it is a reality.

We also think these tax credits will make insurance more affordable. The Joint Committee on Taxation says that by 2017, these tax credits in the bill will reduce taxes by \$40 billion a year for millions of Americans.

We also hear a lot said about the excise tax on insurance policies at the higher levels. That is a tax not on individuals but on the insurance companies as a disincentive to keep running up the cost of premiums and instead try to bring efficiency and cost-effectiveness into quality care.

Health reform is good for our economy too. A lot of businesses that are trying to offer health insurance find that they lose their competitive edge as the cost goes up. So as we start bringing cost down, it means more competition, more job creation, and a greater economy.

I can understand why the other side of the aisle has spent most of their time finding fault with this bill. In fact, that is part of their responsibility in the Senate. But I had hoped, at the end of the day, they would have offered their substitute, their idea on how we can truly achieve health care reform. The fact they have not reflects one of two things: It is a very tough job to do. This is a big bill, it took a lot of work, and perhaps they couldn't come up with a bill themselves. As an alternative, maybe they like the current system. They may like the health insurance companies and the way they treat Americans. They may think it is okay that the cost of premiums will continue to skyrocket beyond our reach. Most Americans disagree, and I do too.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Mr. President, I ask unanimous consent to speak on time under the control of the Senator from New Jersey.

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

Mr. CARPER. Mr. President, let me follow up on some of the comments of my colleague from Illinois.

I am always struck, when I am back home—and I addressed the homebuilders in our State yesterday—by the extent of the misinformation and confusion. When I actually talk to people about the underlying legislation before us, as our deputy leader has done here again today, there is a lot to like about the legislation—a lot to like about the legislation.

One of the pieces that hasn't been focused on a whole lot and that I want to mention deals with how do we better ensure that people who are sick get well and people who are not sick don't become sick as it applies to the use of pharmaceutical medicines.

Our legislation calls for doing a number of things.

First, if people could actually be healthy, stay healthy, or get well by taking certain pharmaceuticals, we would all save money in the end. But under the current system, unfortunately, too many people in this country who would be helped by pharmaceuticals don't actually get to see a primary care doctor. We don't do a very good job in primary care in this country.

One of the things that will flow from our legislation is better access to primary care for everybody. Let me give one example of that. Currently, if you are Medicare eligible, you have one lifetime physical from Medicare. That is it, and that occurs when you sign up for Medicare. You don't get a physical every 5 years or 10 years or 20 years; you get one physical in your life that is paid for by Medicare. That will change in the legislation we will be voting on in the days ahead. We will provide annual physicals as a benefit under Medicare.

When we have more regular doctor visits from the primary care doctor, one of the things that will come about is a better understanding of the health conditions of people in this country and the notion that some of us might actually be healthier, if we have a high blood pressure reading, if we take medicine for it or if we have high cholesterol, if we take medicine for that. So the idea is to identify problems that can be treated with medicine. Not everyone can be helped but some can.

So the first key is, let's make sure folks who will benefit from having access to a primary care doctor have that access.

Secondly, if there are medicines a person can be taking that will help them, let's hope the primary care doctor will do his job, refer the patient to a specialist, if needed, in order to identify the medicines needed.

The third point would be to make sure that when those medicines are

identified, they are actually prescribed and made available to the person.

As we all know, we have the Medicare prescription drug program, the Part D Program, which is a pretty good program, and about 85 percent of the people who use it actually like it. The program has been underbudget now for each of the 4 years it has been in existence. That is pretty good. But when the drug costs of a senior citizen who participates in the Medicare drug program exceed I think about \$2,200 a year, instead of Medicare paying for 75 percent of the medicine and the individual paying 25 percent—which is the case from zero to about \$2,200 over the course of the year—Medicare basically says: We are out of this, and so from \$2,200 to \$5,200, it is all on the individual unless they happen to be very low income.

So the challenge is to make sure more folks who need access to primary care get that; if they need medicines, make sure they are available, which can be determined by the doctor or doctors as to what people should be taking; No. 3, make certain people get the medicines they are prescribed, that they can afford them, and that they actually take them; No. 4, make sure that once we have the access to primary care, we have made a determination as to what medicines can be helpful to a person and that those medicines are prescribed; and then we want to make certain the person for whom they are prescribed can actually afford them. Part of that is making sure, as we are trying to do in our legislation, we take that hole, if you will, that exists from the roughly \$2,200 to \$5,200 and begin to fill it in so that Medicare covers more and more of the cost.

There has been an agreement with the pharmaceutical industry to cover a portion of that hole, which will take care of about half of it, and I understand from our leadership in the House and in the Senate and the President that there is a firm commitment to close it entirely. So the range from \$2,200 to \$5,200 per year would actually be treated just as the first \$2,200 is: Medicare would cover 75 percent of the cost, and for most people, unless they are very poor, will be responsible for paying the other 25 percent. That will help a lot of people, and that will make sure folks who were doing OK taking their medicines until they hit that \$2,200 gap and stopped will keep taking their medicines and they will stay out of emergency rooms and hospitals and they will be healthier as a result.

The last piece involves something new. It is called personalized medicine. I had not heard the term before, although I have been interested in the issue for a while. As it turns out, there are some medicines for certain conditions that will help one group of people—because of the way God made them, because of their genetic makeup—and there is another group of people with a different genetic makeup that will not be helped by the same medicine even though they have the same condition.

Part of what flows from our legislation will be an ever-improving ability to determine who will be helped by a particular medicine given a certain condition and who will not be, with the same condition, simply because of their genetic makeup. So the idea of making medicines available to people who will be helped, we want to do that, and we are gaining the knowledge to be able to say this group will be helped but this group will not, and we can then spend the money where it is going to make a difference but stop spending the money where it will not make a difference. We are close to being able to do that, and we need to do that.

All this flows from this legislation, and when you put it together, I think it is actually a very attractive and very smart policy.

So overall, how do we provide better health care, better outcomes for less money? There is real potential for doing it in the ways I have just described.

I want to stay on the issue of pharmaceuticals, if I can, but I want to pivot and take a somewhat different tack now.

I wrote a letter to the administration a week or so ago, maybe 2 weeks ago, and I asked the administration for some clarification on the issue of reimportation. That is the issue before us today. We have been debating it for some time, and we will be voting later today on a proposal by the Senator from North Dakota, Mr. DORGAN, and then we will be voting on an alternative to that offered by the Senator from New Jersey, Mr. LAUTENBERG, which I support. If that amendment were actually incorporated into the Dorgan amendment, I would support the underlying Dorgan amendment.

Anyway, I wrote to the administration, and I got a letter back dated December 8. I don't think I have ever stood on the floor and read a letter, but this is one I am going to read. I want my colleagues and their staff and anyone else who is listening to actually hear what I am about to say and what the administration had to say on this subject of reimportation. It is a little—well, "awkward" may be the wrong word, but it has to be a little awkward for the administration because the President, when he was then-Senator Obama, was a cosponsor of the Dorgan amendment. When he campaigned for Presidency, on the campaign trail he spoke favorably of the reimportation legislation offered by Senator DORGAN. Now that he is President and he leads an administration, he is asked: What is the position of your administration on that legislation you cosponsored as a Senator and spoke in favor of as a candidate? Now that you are running the country and you are the Chief Executive of the country and you have a whole Department—the Department of Health and Human Services—whose job it is to look out for our safety and health, how do you feel about it?



So I wrote a letter basically asking the question, and here is what I received in response, dated December 8. This is from the head of the FDA, the Food and Drug Administration:

Dear Senator CARPER: Thank you for your letter requesting our views on the amendment filed by Senator Dorgan to allow for the importation of prescription drugs. The administration supports a program to allow Americans to buy safe and effective drugs from other countries and included \$5 million in its 2010 budget request for the Food and Drug Administration to begin working with various stakeholders to develop policy options relating to drug importation.

The letter goes on to say:

Importing non-FDA approved prescription drugs presents four potential risks to patients that must be addressed:

(1) the drug may not be safe and effective because it was not subject to a rigorous regulatory review prior to approval;

(2) the drug may not be a consistently made, high quality product because it was not manufactured in a facility that complies with appropriate good manufacturing practices;

(3) the drug may not be substitutable with the FDA-approved product because of differences in composition or manufacturing; and

(4) the drug may not be what it purports to be, because it has been contaminated or is a counterfeit due to inadequate safeguards in the supply chain.

In establishing an infrastructure for the importation of prescription drugs, there are two critical challenges in addressing these risks. First, FDA does not have clear authority over foreign supply chains. One reason the U.S. drug supply is one of the safest in the world is because it is a closed system under which all the participants are subject to FDA oversight and to strong penalties for failure to comply with U.S. law.

Second, FDA review of both the drugs and the facilities would be very costly. FDA would have to review data to determine whether or not the non-FDA approved drug is safe, effective, and substitutable with the FDA-approved version. In addition, the FDA would need to review drug facilities to determine whether or not they manufacture high quality products consistently.

The Dorgan importation amendment seeks to address these risks. It would establish an infrastructure governing the importation of qualifying drugs that are different from U.S. label drugs, by registered importers and by individuals for their personal use. The amendment also sets out registration conditions for importers and exporters as well as inspection requirements and other regulatory compliance activities, among other provisions.

We commend ["We" being the FDA on behalf of the administration] the sponsors for their efforts to include numerous protective measures in the bill that address the inherent risks of importing foreign products and other safety concerns relating to the distribution system for drugs within the U.S. However, as currently written, the resulting structure would be logistically challenging to implement and resource intensive. In addition, there are significant safety concerns related to allowing the importation of non-bioequivalent products, and safety issues related to confusion in distribution and labeling of foreign products and the domestic product that remain to be fully addressed in the amendment.

The letter concludes by saying:

We appreciate your strong leadership on this important issue and would look forward

to working with you as we continue to explore policy options to develop an avenue for the importation of safe and effective prescription drugs from other countries:

It is signed "Sincerely, Margaret Hamburg." She is the Commissioner of Food and Drug.

I suspect this was not an easy letter for Ms. Hamburg to write or an easy letter for the administration to sign off on. Given the position of the President in the past on this issue and now being confronted with the actual possibility that this legislation would become law, it has to be a struggle. I commend Senator DORGAN and others who have worked with him—I think Senator SNOWE and, I believe, Senator MCCAIN—over the years to try to address the earlier criticisms of the legislation.

What the FDA says in this letter to me, and really to us, is that progress has been made. Some of the concerns have been addressed. Unfortunately, some have not been.

What I hope we do when we vote later today is accept the offer of the administration. They have been willing to put their money where their mouth is, to actually put money in their budget request to say before we go down this road as proposed in the Dorgan amendment, let's see if we can't work this out in a way that addresses some of the remaining safety and soundness concerns. I am not sure, if I were the author of the amendment, if I would have accepted that offer from maybe an earlier administration whose motives were not maybe as pure—frankly, whose Chief Executive was not committed to addressing this issue.

Our President is committed to addressing this issue. The Department of Health and Human Services and the FDA are committed to addressing this issue. They are anxious, I believe, to work it out. Not only that, they are anxious and willing to provide some of the funding needed to come to an acceptable resolution and compromise. I hope by our votes later today we will accept that offer from the administration, and I hope in the weeks and months ahead we will actually take the steps, not necessarily proposed exactly by Senator DORGAN, that will allow us to move in that direction and do so in a way that does not unduly harm or put at risk the citizens of this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I understand I will be yielded time off the leader's time?

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

Mr. GREGG. Mr. President, I want to speak a little today about this issue of the tax burden the Reid bill is putting on people with incomes under \$250,000, \$200,000. We all know the President said he was not going to allow taxes to increase for people who have incomes under those numbers. We know there are all sorts of proposals in the Reid bill which significantly increase taxes.

We also know there are a lot of proposals in the Reid bill that significantly increase fees. We also know there are a lot of proposals in the Reid bill which will significantly increase premiums—all of which people under \$200,000 pay.

Why is this? Primarily it is because, if you look at the Reid bill, it exponentially increases spending and grows the size of government. Government is increased by \$2.5 trillion under the Reid bill when it is fully phased in. It goes from 20 percent of our gross national product—that is what government takes out today in spending—up to about 24 percent of our gross national product, a huge increase in the size of government.

When spending increases like this, at this type of explosive rate, there are a couple of things that occur. One of them is that taxes also go up. It is like day following night. If you are going to increase the size of the government at this rate, you are going to have to significantly increase taxes—whether you call them fees or whether you call them premium increases or whether you call them outright taxes. That is what is happening. That is because the goal is to grow the government dramatically. That is the goal. When you grow the government, you inevitably increase the taxes. In fact, in this bill it is estimated, when it is fully put into place, that there will be about \$1.6 or \$1.7 trillion in new taxes.

There is also, when it is fully phased in, about \$1 trillion of reduction in Medicare spending. We have had a lot of discussion on that matter on the Senate floor. I have been here a number of times talking about that. But the burden of taxation goes up in order to allegedly pay for these new entitlements.

Why do the taxes have to go up? Because when you increase spending this way you have to pay for it—or you should pay for it. This bill attempts to do that by raising taxes dramatically. But the presentation that you can get all this tax revenue out of people who are making more than \$200,000 a year simply doesn't fly. It doesn't pass the commonsense test. It is like saying when you cut Medicare \$1 trillion you are not going to affect benefits.

We heard for a week from the other side of the aisle that no Medicare benefit cuts would occur with \$1 trillion of Medicare cuts. Of course, that is not true. We just heard yesterday from the Actuary—the President's Actuary, by the way, the Actuary of CMS—that when you make these significant reductions in provider payments under Medicare, which is where most of the savings occur, that means there are fewer providers who are going to be able to be profitable. In fact, 20 percent of providers will be unprofitable under the Reid bill as scored by the Actuary for CMS, and, as a result, providers will drop out of the system. Clearly, that will affect benefits to seniors because they will not be able to see providers because they will not exist anymore.

It is like telling somebody—someone said; the Senator from Nebraska, I think, said—you can have keys to the car, but there is no car. In this instance there will be no providers or many fewer providers.

Along with that problem there is this claim—along with that claim that was totally inaccurate, which is that Medicare benefits will not be cut—there is this claim that these new revenues to pay for this massive expansion in spending are going to come from just the wealthy.

Again, we have independent sources that have taken a look at this, in this case the Joint Tax Committee. They have concluded that is not the case. That is not the case at all. The argument from the other side of the aisle is we have all these tax credits in here which, when you balance them out against the tax increases, meaning that people earning under \$200,000—because some will get tax credits, some will get tax increases, but they balance out so there is virtual evenness, so that the tax credits in the bill to subsidize people who do not have insurance today mostly are balanced by the tax increases on people earning under \$200,000.

Of course, if you are one of the people earning under \$200,000 who doesn't get the tax credit, that doesn't mean a whole lot. Your taxes are going up. But more importantly, Joint Tax has taken a look at this, and by our estimate, what Joint Tax has said is essentially this: 73 million families, or about 43 percent of all returns under the number of \$200,000, people with incomes of under \$200,000, will, in 2019, have their taxes go up.

So there is a tax increase in this bill, and it is very significant on people earning under \$200,000. In fact, if you compare that to those people who will benefit from the tax credit, what it amounts to is for every one person who is going to benefit from the tax credit, three people earning under the income of \$200,000 will see their taxes go up. That is a real problem, first, because it significantly violates the pledge of the President when he said:

I can make a firm pledge no family making less than \$250,000 will see their taxes increase—not your income taxes, not your payroll taxes, not your capital gain taxes—not any of your taxes.

That is what the President said. That pledge is violated by the Reid bill, violated very fundamentally for the 73 million people whose incomes are under \$200,000 and whose taxes go up.

So it clearly is not a tax-neutral event for middle-income people. It is a tax increase event for a large number of middle-income people. Forty-three percent of all people paying taxes whose income is under \$200,000 will have their taxes increased.

What is the thought process behind this? The thought process essentially seems to be we are going to explode the size of government, we are going to dramatically increase the taxes on the

American people, and somehow that is going to make life better for Americans. I do not see that happening. I don't see that happening. We know from our experience as a government that growing the government in this exponential way probably is going to lead to people having a tougher time making ends meet because their tax burden is going to go up.

Discretionary dollars they might have used to send their kids to college or they might have used to buy a new house or they might have used to buy a new car or they might have just simply saved—those discretionary dollars they don't have anymore because they come to the government to fund this massive explosion in programs and this increase in the size of government.

I think we do not need to look too far to see how this model does not work. All we have to do is look at our European neighbors.

This idea that you can Europeanize the economy, that somehow if you grow the government you create prosperity, that is what is basically behind this philosophy: You grow the government, you create prosperity. That does not work. We know that does not work. All we have to do is look at our neighbors in Europe who have used that model to find out and conclude that does not work.

It would make much more sense to put in place an affordable plan, one which did not raise the taxes of 73 million people who file income taxes under the income of \$200,000, 43 percent of the people paying taxes. It would make much more sense not to grow the government in this extraordinary way that we know we cannot afford and that we know ends up passing on to our kids a country which has less of a standard of living than we received from our parents.

So I hope we take another look at all the taxes in the bill, recognizing that the commitment the President made on the issue of taxes is not being fulfilled by this bill, and go back to the drawing board and reorganize it so we can come closer to what the President wanted, which was a bill that did not raise taxes; which was a bill that did insure everyone; which was a bill that did create an atmosphere where if you wanted to keep your present insurance, you could keep it; and which was a bill that turns the curve of health care costs down.

None of those four goals of the President are now met in the bill. In fact, according to his own Actuary and according to Joint Tax, for all four of those goals, just the opposite occurs. The number of people uninsured remains at 24 million people, the cost curve goes up by \$235 billion, taxes go up for 73 million people, and we end up with 17 million people who have insurance today in the private sector losing that insurance. So I believe we should take another look at this bill and try to do a better job.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. FRANKEN). The Senator from Wyoming.

Mr. ENZI. Mr. President, I yield up to 20 minutes to the Senator from Alabama out of the leader time.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I rise today in disbelief. The American public is searching for commonsense answers from its leaders on health care, and yet they are poised to receive an expensive, wholly inadequate, and simply illogical so-called solution.

After weeks behind closed doors—including now—the majority has produced a bill thus far that raises taxes, makes drastic cuts in Medicare, and increases premiums to create a new government program, the so-called public option.

I believe the public option is nothing more than socialized medicine and expanded government disguised as greater choice. Thus, I am adamantly opposed to this bill as it is written.

I believe any legislation seeking to effectively address health care reform should have as its dual aims cutting costs and increasing access to quality care. But, amazingly, this bill just does the opposite on both counts.

This proposed legislation is not going to solve our Nation's health care problems and yet likely will exacerbate them. The administration, it seems to me, seems to be determined to force the health care bill on the American people, which the majority of citizens do not want or need.

I believe we have the best health care system in the world in the United States of America. While many have scoffed at such a suggestion, the United States, as we know, has the finest doctors, first-rate treatments, cutting-edge innovation, and low wait times.

Think about it. People come from all over the world to take advantage of our revolutionary medicine and state-of-the-art treatments. The United States develops new drugs and medical devices years before the rest of the world, and American doctors are usually pioneers of new techniques in surgery and anesthesia.

As a cancer survivor myself, I am especially proud of the great strides the United States has made in screening and treating cancer. The United States has one of the highest survival rates for cancer in the world and dwarfs survival statistics in Europe. In 2007, U.S. cancer survival was 66.3 percent, while Europe's was 47.3 percent. I believe the answer as to where to receive treatment in the world is clear: the United States of America.

However, our current system, I would admit, is not perfect, and I have never said it was. But I believe we must seek to build upon rather than tear down these strengths we have. We need a bill that reduces costs and improves quality and level of care for the American people.

Here, I believe, we get the exact opposite: a bill that grows big government by creating a costly new entitlement program, drives up private health care costs, and subsequently lowers overall quality and access to care.

According to the Congressional Budget Office's Long Term Budget Outlook, the coming tsunami of Social Security, Medicare, and Medicaid costs is projected to push the Federal public debt to 320 percent of GDP by 2050 and over 750 percent by 2083.

Does anyone truly believe this new legislation will not further add to our Nation's debt? When has history proven that our government can regulate more effectively than private industry or the marketplace, much less doing so without adding to the deficit? The reason: we simply overspend and overpromise.

The Congressional Budget Office estimates that the Senate Democrats' health care proposal, as now written, will cost \$849 billion over 10 years.

While Americans will be hit immediately with new taxes and government mandates, the actual services and coverage promised in this legislation will not be implemented until 2014—a clear attempt to mask the true cost of reform. The proposal before us delays government subsidies for yet an additional year to hide the real cost of the bill and show so-called additional savings.

Stalling implementation on a program set to run for an indefinite time horizon and calling it “savings” is nothing more than fiscal sleight of hand. Therefore, the Senate Budget Committee estimates the true 10-year cost of the proposal to be \$2.5 trillion once fully implemented—\$2.5 trillion once fully implemented. Let me say that again: \$2.5 trillion—a lot of money.

To pay for this \$2.5 trillion worth of legislation, the government, I believe, will have no choice but to raise taxes to European welfare state levels or impose drastic restrictions on patient care or, most likely, both.

The bill includes over \$493 billion in new tax increases, as written, and probably another \$464 billion in Medicare cuts, placing the burden of reform squarely on the shoulders of the middle class, small businesses, and the elderly.

For the middle class, the proposal is a direct hit. The Joint Committee on Taxation estimates that in 2019, 73 percent of the so-called wealthy taxpayers paying the proposed excise tax on high premiums will earn less than \$200,000 a year. I think the time is now to stop heaping debt obligations on the backs of the able bodied.

The proposed tax on the so-called Cadillac plans—plans with high annual premiums—will not only be passed on to the consumer through higher premiums but will creep its way into the lives of many middle-class Americans.

I have a little story. Mrs. Melanie Howard, of Pelham, AL, raised this point when discussing the idea of who

actually receives Cadillac health care. Mrs. Howard spoke to me of the small nonprofit where she worked, which had to raise premium prices to offset a few workers who were battling cancer. In effect, she was paying for a Cadillac but still just getting a basic car. Because the tax is based on cost of coverage and not quality and breadth of coverage, many Americans could fall into this category.

I believe it is a simple actuarial fact that smaller risk pools result in higher premiums. Thus, small businesses, such as Mrs. Howard's employer, are naturally going to bear the brunt of this ill-conceived Cadillac health insurance tax.

As taxes increase to pay for the public option, so does the cost of premiums on health care plans. The Congressional Budget Office analysis on premium impacts estimates that family premiums would increase 28 percent—from \$11,000 per family to over \$14,000 per family by 2019. This is more than a \$3,000 increase per family.

The bill also imposes \$28 billion in new taxes on employers who do not provide government-approved health plans, and it charges a penalty of \$750 per uninsured individual—a form of double taxation.

Furthermore, any opportunity to allow individuals to self-manage their care and plan for future health care costs has been eradicated from this proposal as now written. Flexible spending accounts help individuals and families pay for out-of-pocket medical expenses that are not covered by their health insurance plans with tax-free dollars. These are particularly important for individuals and families who have high medical expenses, such as seniors and those with chronic health conditions or disabilities.

The current proposal before us will not only limit allowable flexible spending account contributions, but the limit is not indexed for inflation, which means the inflation-adjusted or real value of a flexible spending account will decline steadily over time until virtually worthless.

What is also truly concerning about the current legislation is a massive reduction in care our seniors will face under this legislation. The proposal includes \$120 billion in cuts to Medicare Advantage, nearly \$135 billion in Medicare cuts for hospitals that care for seniors, more than \$42 billion in cuts from home health agencies, and nearly \$8 billion in cuts from hospices, of all places. I believe this nearly \$½ trillion in Medicare reductions simply must result—has to result—in vast reductions in the quality of our seniors' care.

I do not believe massive tax increases, a rise in the cost of health care premiums, reduced flexibility in self-management of care, and cuts to seniors' health care is what the American people have in mind as a way to improve access and create affordable quality health care.

We have already seen how this legislation will significantly increase costs

and reduce coverage of care. But let's, for a minute, turn our attention to the quality of care because there is, indeed, a big difference between government-run health care coverage and actual access to medical care.

As Margaret Thatcher once said:

The problem with socialism is that eventually you run out of other people's money to spend.

Medical rationing is inevitable under government-run health care. It has to be. Supporters of government-run medicine often cite Canada or Great Britain as models for the United States to follow. Yet medical rationing, such as is common in those countries, is inevitable under a government-run health care system as now proposed. These countries are forced to ration care or, in the alternative, have long waiting lists for medical treatments that lead to the same result.

More than 750,000 Britons are currently awaiting admission to the National Health Service hospitals. Last year, over half of Britons were forced to wait more than 18 weeks for care or treatment. The Fraser Institute, an independent Canadian research organization, reported in 2008 that the average wait time for a Canadian awaiting surgery or other medical treatment was 17 weeks, an increase of 86 percent since 1983.

Access to a waiting list is not access to health care.

A study by the Organization for Economic Co-Operation and Development showed that the number of CT scanners per million in population was 7.5 in Britain, 11.2 in Canada, and 32.2 in the United States.

For magnetic resonance imaging—MRIs—there was an average of 5.4 MRI machines per million in population in Britain, 5.5 in Canada, and 26.6 in the United States.

Government-run health care will undermine patients' choice of care.

Citizens in those countries are told by government bureaucrats what health care treatments they are eligible to receive and when they can receive them. I believe Americans need to understand that all countries with socialized medicine ration health care by forcing their citizens to wait in lines to receive scarce treatments. Simply put, government financing means government control, and government control means less personal freedom.

While we need to enact reforms to our health care system that will reduce cost and improve access, our Nation cannot withstand the deep deficits this colossal health care entitlement program, I believe, would create. Instead, we need a system that restores the patients and doctors as the center of every health care decision, rather than the government and insurance companies.

By making insurance portable, expanding health care savings accounts, reducing frivolous lawsuits, emphasizing preventive care, reducing administrative costs, and making insurance

more affordable to small business and individuals, I believe we can efficiently decrease the costs that currently burden Americans while expanding coverage. The result would be improved quality and affordable care.

It appears that no matter how many thousands of letters my office receives in the Senate asking Congress to stop this legislation, this administration is determined to pass something—anything—no matter what the cost or how damaging the result. The latest CNN poll shows 64 percent of Americans oppose this health care reform as now written. The Associated Press reports that over 60 percent of Americans are against this type of reform.

It has been said we would be committing Senatorial malpractice to pass legislation such as this. I agree. I simply do not believe the American people desire or deserve what government-run health care would result in: higher taxes, larger deficits, and rationed lower quality care.

While we need to enact reforms to our health care system that will reduce costs and improve access to all Americans, our Nation cannot withstand the massive cost this colossal health care entitlement program will create.

The health of this Nation will not be helped by risking our Nation's financial well-being. It has been said if you think health care is expensive now, wait until it is free.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 2793

Mr. DORGAN. Mr. President, I yield myself such time as I may consume under the hour I control.

We are going to have people trotting onto the floor of the Senate this afternoon—and some have this morning—talking about this issue of prescription drug reimportation and saying there are safety problems with it—safety problems. I wish to talk about one small piece of health care reform without which you can't call it health care reform, because at least with respect to the issue of pricing of prescription drugs, there will be no reform unless my amendment is passed.

My amendment is bipartisan. It includes support from Senator SNOWE, Senator MCCAIN, Senator GRASSLEY on that side and many Democratic Senators as well and it says: Let's put the brakes on these unbelievable increases in the price of prescription drugs; a 9-percent increase this year alone in brand-name prescription drugs.

Why is this an important issue? How about let's talk about the price of Nexium—the price of Nexium. You buy it, if you need it: \$424 for an equivalent quantity in the United States. If you want to buy it elsewhere, not \$424; you pay \$37 in Germany, \$36 in Spain, \$41 in Great Britain. We are charged the highest prices in the world for prescription drugs.

We are going to have a lot of people come out and say: Well, there will be

safety problems if we reimport FDA-approved drugs from other countries—absolute rubbish.

Here is Dr. Rost, a former vice president for marketing for Pfizer Corporation, and this is what he said:

During my time I was responsible for a region in northern Europe. I never once—not once—heard the drug industry, regulatory agencies, the government, or anyone else saying that this practice was unsafe. Personally, I think it is outright derogatory to claim that Americans would not be able to handle reimportation of drugs when the rest of the educated world can do it.

They have been doing this in Europe for 20 years, reimporting lower priced prescription drugs from other countries, and they do it safely. Our consumers pay the highest prices in the world because there is no competition for prescription drugs. When a drug is sold for a fraction of the price elsewhere—one-tenth the price for Nexium in Germany and Great Britain—the American people can't access it. Even though it is made in the same plant, the same pill put in the same bottle, the American people are told: It is off-limits to you.

Dr. Rost also said this: Right now, drug companies are testifying that imported drugs are unsafe. Nothing could be further from the truth. This from a former executive of Pfizer Corporation.

When the pharmaceutical industry goes around the Hill today and tells you that importing medicine is going to be unsafe—and by the way, our bill only allows the importation from Australia, New Zealand, Japan, and the European countries, where they have an identical chain of custody and where we require pedigree and we require batch lots that will make the entire drug supply much safer, including the domestic drug supply—when the pharmaceutical industry goes around the Hill today saying: If you vote for the Dorgan-Snowe-McCain, et al. amendment, you are voting for less safety, ask the pharmaceutical industry this: What about the fact that you get 40 percent of your active ingredients for drugs from India and China and from places in India and China in many circumstances that have never been investigated or inspected by anyone? Answer that, and then tell us that reimporting FDA-approved prescription drugs from other countries is unsafe. What a bunch of rubbish.

My understanding is, sometime yesterday—maybe late last night—somebody made a deal. I don't know what the deal is, but I guess the deal is to say we are going to have this amendment—it has been 7 days since we started debating this amendment—we are going to have this amendment vote and then we are going to have another vote on another amendment that nullifies it. It is the amendment I call: I stand up for the American people paying the highest prices in the world for prescription drugs.

If you want to support that amendment, go right ahead. What you are doing is nullifying any ability of the

American people to have the freedom to access lower priced drugs where they are sold elsewhere in the world. I am talking about FDA-approved drugs made in FDA-approved plants. It doesn't matter what the fancy wrapping and the bright ribbons are on this package.

This package to nullify what we are trying to do is a package that comes directly from the pharmaceutical industry. Why? To protect their interests. This year they will sell \$290 billion worth of drugs, 80 percent brand-name prescription drugs. On brand-name drugs, the price increased 9 percent this year and on generic drugs it fell by 9 percent. Now I understand why they want to protect those interests.

Here are two pill bottles, both contain Lipitor, both made in a plant in Ireland by an American corporation. This sent to Canada, this sent to the United States. The American consumer gets the same pill made in the same bottle made in the same plant by the same company. The American consumer also gets the privilege of paying nearly triple the price and can't do a thing about it because this Congress, vote after vote after vote, has said: We stand with the pharmaceutical industry and against competition and against freedom for the American worker.

If I sound a bit sick and tired of it, I am. We have been going after this for 8 to 10 years, to give the American people the freedom to access the identical FDA-approved drugs for a fraction of the price where they are sold everywhere else in the world, and we are told again and again and again there is this phony excuse about safety, completely phony.

I will have more to say about it later, but I did want to say we are going to see a lot of people trotting out here with such a shop-worn, tired, pathetic argument to try to keep things as they are and try to keep saying to the American people: You pay the highest prices in the world for brand-name drugs and that is OK. That is the way we are going to leave it. We will call it health care reform, and at the end of the day, that is what you end up with: The highest prices in the world, a 9-percent increase just this year alone. Over the next 10 years, that 9-percent increase, just this year, nets the pharmaceutical industry \$220 billion, but that is OK. That is the way you are going to end up, American consumer, because we don't want to give you the freedom to access those lower priced drugs where they are sold for a fraction of the price.

One final point. I have mentioned often an old codger who sat on a straw bale at a farm once where I had a meeting, and he said: I am 80 years old. Every 3 months we have to drive to Canada across the border because my wife has been fighting breast cancer. Why do we drive to Canada? To buy Tamoxifen. Why do we have to go there to buy it? We paid—I think he said—

one-tenth the price in Canada. We couldn't have afforded it otherwise.

Is that what we want the American people to have to do? Most people can't drive across the border someplace. Why not establish a system like they have had in Europe for 20 years, to allow the American people the freedom to access reasonably priced drugs, FDA-approved drugs.

So this is a day in which we will vote on my amendment and then we will vote on an amendment that nullifies it and we will see whether enough of a deal has been made so the fix is in. So, once again, the American people end this day having to pay the highest prices in the world. Pay, pay, pay, pay, soak the American consumer, keep doing it. That has been the message here for 10 years.

A group of us, Republicans and Democrats, 30 who have cosponsored this legislation, have said, you know what. We are sick and tired of it. Give the American people the freedom. If this is a global economy, how about a global economy for real people? How about let them have the advantages of a global economy?

Once again, I will have a lot more to say this afternoon. It is apparently a day for deal-making and we will see who made what deals, but we are going to have votes. I know one thing. I know the pharmaceutical industry has a lot of clout. I know that. I hope the American people have the ability to expect some clout on their behalf in the Chamber of the Senate this afternoon.

I yield the floor, and I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. Mr. President, my understanding is there is a desire by some to have a quorum call in which the quorum call time is charged against all sides. My understanding is, there are, I think, 5 hours allocated with respect to today: 1 hour for the Baucus amendment, 1 hour for the Crapo amendment, and 3 hours distributed as follows: 1 hour for me, 1 more Mr. LAUTENBERG, and 1 hour for the Republican leader on the prescription drug reimportation; am I correct?

The PRESIDING OFFICER. That is correct.

Mr. DORGAN. So I ask unanimous consent that the quorum call be allocated against the 4 hours and not against the hour I control.

The PRESIDING OFFICER. Is there objection?

Mr. ENZI. Reserving the right to object, we have had constant speakers over here, so we have used a lot of our time. If we had known there was more vacant time, and if we could have had some of the majority's time, we could

have had a steady stream of speakers over here the whole time. So we would reluctantly agree to the time being divided between the two sides, as we have done that in all the times in the past, but we want to reserve some time for our speakers as well. We could have easily had people over here to speak.

Mr. DORGAN. Well, Mr. President, did the Senator object?

The PRESIDING OFFICER. I think he reserved his right to object.

Does the Senator object?

Mr. ENZI. Yes, the Senator objects.

The PRESIDING OFFICER. Objection is heard.

Mr. DORGAN. Mr. President, my understanding is I will put in a quorum call, the time is equally divided, apparently, between the sides, in a circumstance where the other side has 3 hours and our side has 2 hours and especially on the subject I have just discussed, the other side has 2 hours and I have 1 hour.

I will put us into a quorum call, and I guess it will be equally divided between the two sides.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARPER). Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KYL. 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. KYL. Mr. President, I want to speak in favor of the Crapo motion, which we will be voting on in a few hours.

The Crapo motion would essentially protect the American middle class from tax increases in this bill. The President promised that nobody making under \$200,000 a year, or families making under \$250,000 a year, would see tax increases under the bill. But they do.

The Crapo motion would simply send the bill back to the Finance Committee and make sure that they don't. It is a fairly straightforward amendment, and we should support it.

In supporting the motion, I will discuss other things related to it. There is this notion that somehow or other the health care bill will save money for the government and for taxpayers and patients. That is where it is wrong. That is why we need things such as the Crapo motion.

How does the expenditure of trillions of dollars in new spending save anybody money? That is counterintuitive. The answer is, of course, that it doesn't.

Jeffrey Flier, dean of the Harvard Medical School, gives this bill a failing grade. He wrote in the Wall Street Journal:

The Democrats' health care bill wouldn't control the growth of costs or raise the quality of care.

I think that is the fact. So let me point out a couple of the bill's provi-

sions that undermine this savings argument, one of which is the new taxes, which the Crapo motion would explicitly address. The new subsidies that fail to address costs, and finally this inclusion of the CLASS Act, which is a massive new expenditure and entitlement that would grow out of control over time.

First, though, let me focus on these new taxes, 12 in total. They go into effect immediately. In fact, the Internal Revenue Service estimates it would need between \$5 billion and \$10 billion over the next 10 years just to oversee the collection of these new taxes. Think about that.

These new taxes include, but are not limited to, a new payroll tax on small businesses. What better way to kill job creation. We will impose another ½ percent tax if you hire somebody or all the people you retain on the payroll. That is crazy at a time when we are trying to create new jobs. There is a tax on seniors and the chronically ill. I discussed that yesterday. There are new limits on health savings accounts which will increase taxable income for middle-class families, and a new medical device tax which will be paid for by American families, according to the Congressional Budget Office. In other words, if you need a health or life-saving device, such as a diabetes pump or stent for your heart, why do you want to tax that if it provides better health care for you and your family? The reason is they need more revenue to pay for the expenses of the bill. They increase the taxes. CBO says they will be passed right through to the patients which are then passed through in the form of higher premium costs.

As I said, most of these taxes would start immediately and many would hit middle-income families despite the President's famous campaign pledge.

Washington, for a period of 4 years, piles up the money before it pays any of the money out. That is supposed to lower costs because for the first 4 years there are not any expenses. We are collecting all this revenue and somehow or another that is portrayed as a savings for the Federal Government.

Over the next 10 years that money is spent out, it is \$2.5 trillion in spending, and that is not sustainable. This is part of the bill's gimmickry to create this idea that somehow the bill is deficit neutral. As I said, when you take a look at the true 10-year cost beginning in 2014 once the bill is fully implemented, you have a whopping \$2.5 trillion pricetag.

Colleagues on the other side say: It is necessary to raise all this money to subsidize the increased cost of health care. I get it. We are going to raise premiums under the bill and then we are going to need to raise taxes to subsidize so people can afford those increased premiums. What sense does that make? I ask, do Americans want to pay more taxes in order to get a subsidy because of the increase in costs that are the result of this legislation?

Would they rather not have the premiums go up in the first place, as the ideas that Republicans have proposed would ensure? But that is what the bill does. It raises premiums so then you have to raise taxes to subsidize the cost of insurance.

What the Crapo motion would do is to say the President needs to keep his promise. Those making less than \$200,000 a year should be relieved of this tax burden.

Secondly, if the government subsidizes insurance for 30 million more Americans, obviously costs have to rise. As the respected columnist Robert Samuelson wrote in a recent Washington Post column—by the way, the title was “The Savings Mirage on Health Care”:

The logic is simple. . . . Greater demand will press on limited supply; prices will increase. The best policy: Control spending first, then expand coverage.

That is what Republicans have been proposing. We would like to target specific solutions to the problems of cost which would then allow more Americans to gain access to affordable health care and, thus, avoid a hugely expensive Washington takeover of the entire system.

Our solution includes medical liability reform—that does not cost anything; it saves money—allowing Americans to purchase insurance policies across State lines, allowing small businesses to pool their risks and purchase insurance at the same rates corporations do. These solutions would bring down costs and, at the same time, enhance accessibility.

Third—and the reason I raise this is because several colleagues on the other side of the aisle have made pretty firm statements about not being able to support this legislation as long as it included what is called the CLASS Act. This is a new government-run, government-funded program for long-term care. It is intended to compete with private insurers' long-term care plans. Notice the pattern of government wanting to compete with private entities. That is what the CLASS Act does.

Participants would pay into this new government system for 5 years before they would be allowed to collect any benefits. Naturally, you have some increased revenues for a while, and that is what the bill counts on in order to allegedly be in balance. Of course, the payouts occur later, and then it is not in balance. Participants would have to be active workers. So this new entitlement would not benefit either seniors or the disabled.

We are talking about a brandnew entitlement. If a worker begins making payments in 2011, he or she could not collect benefits until the year 2016. That is why supporters of the CLASS Act say this would reduce the deficits in between 2010 and 2019. Sure, if you don't spend money in those years and you collect a lot of tax revenues, of course you are going to have more of a surplus of revenues. What happens,

though, when the claims on that money occur? It is like Medicare today: It is very soon out of money and then broke and then in a hole and then you have a big debt on your hands. That is precisely what happens here. No government program has ever reduced budget deficits, we know that.

The Congressional Budget Office confirms that this program will, indeed, add—add—to future budget deficits. Here is what the CBO writes:

The program would add to future federal budget deficits in large and growing fashion.

It does not get any simpler than that. The CLASS Act would add to future deficits. That is why several of my colleagues on the other side of the aisle have said they cannot support the bill as long as the CLASS Act is in it. But the last time I checked, it is still in it.

I want to also refer to the chairman of the Budget Committee who has obviously spoken out on this issue because he understands the effect. I speak of Senator CONRAD. He said it is like a Ponzi scheme because it offers returns that payments made into the system cannot cover in the long run.

As I said, it would generate generous surpluses for the government while Americans pay in and are not collecting benefits. And then later on, it reaches a point where payments made into the program cannot sustain the promised benefits.

Here is what CBO tells us about the program:

It would lead to net outlays when benefits exceed premiums. . . .

“Net outlays” means you are spending more than you are taking in.

[By 2030] the net increase in federal outlays is estimated to be “on the order of tens of billions of dollars for each [succeeding] ten-year period.”

Over time, this program adds substantially to the deficit and to the debt. It is an entitlement that is not self-sustaining but has to be propped up in some fashion by additional revenues. It is another way, in addition to the first two ways I mentioned, of how costs go up in this legislation, how savings do not result, and how the American public has to end up making up the difference. You have new taxes to cover subsidies for increased premiums, government subsidies for 30 million Americans that increased demand without addressing costs, and finally, the inclusion of the CLASS Act.

As I said, I support the Crapo motion because it would assure that none of these burdensome new taxes would hit middle-income families as they are set to do. This amendment must pass if President Obama is going to keep his campaign pledge to not raise taxes “one dime” on middle-income Americans.

I also support the soon-to-be-pending Hutchison-Thune motion which says that no taxes at all should be levied until Americans see some benefits. This addresses that problem I noted where you collect the taxes up front and then you start paying benefits at a

later date. This is an expression of disapproval for the budget gimmickry contained in the bill.

Americans want us to bring costs down. They could not be more clear about that. But the provisions of this bill disobey the wishes of the American people. That is why in public opinion surveys—it does not matter who takes them—they are increasingly showing that the American people are opposed to this legislation. The latest one by CNN just a few days ago—and CNN is not noted to be a big conservative organization—shows that 61 percent of the American public oppose the health care plan. And now only 36 percent support it. That is getting close to two to one in opposition.

An earlier poll showed that among Independent voters, by more than three to one, they oppose what is in this legislation. The point here is not some peripheral issue—and I do not mean to demean the importance of the issue when I talk about, for example, the public option for the government-run insurance plan. The abortion language certainly is a key issue to many. Even if you could somehow fix those problems, you still have the core of the bill that the American people object to: the \$½ trillion in cuts in Medicare, the \$½ trillion in increases in taxes that are meant to be addressed by the motion I am speaking of, the requirement that because premiums go up under the legislation, you have to raise taxes to create a subsidy so you can give it to people so they can afford the increased premiums.

Something we are going to be talking about in the future and have hardly addressed but to me is probably the most pernicious thing of all—you can talk about the government takeover, you can talk about the additions to the debt, the taxes, the increased premiums, all of these things, the cuts in Medicare—to me the most pernicious thing of all is the fact that it is unsustainable. The promises exceed the revenues with the net result that over time, care will have to be rationed.

This is what I think the American people fear most of all because they know you cannot sustain a program this costly and not have to at some point begin to delay care, delay appointments so they do not occur as rapidly and gradually begin to denying care. That is why this big kerfuffle about the commission that made recommendations on breast cancer screening and mammograms was so frightening to people. They could see this was the way rationing begins. Some panel says we don't think people need as much medical care as they have been getting, never mind what has been recommended in the past. Yes, by the way, it will save money.

Of course, when politicians have to find a way to reduce benefits, they do not go to their constituents and say: We are going to cut your benefits. What they do is reduce the payments to people who provide the health care—



the doctors, hospitals, home health care, hospice care, these folks. They reduce payments so that the providers have no choice but to reduce the amount of their care.

They have to see more patients, there are not as many of them, and they are getting paid less. So naturally they cannot provide the same level and quality of care. That is how rationing begins. Ask people in Canada, ask people in Great Britain how long it takes to get in to see the doctor. Eventually even that does not cut it. So they set a budget and say: We cannot afford to pay any more than that.

You better hope you get sick early in the year. That is, unfortunately, what you can see to an extent in our veterans care but even more in our care for our Native Americans. I did not make this up. Others have said in the Indian Health Care Service, get sick early in the year because they run out of money if you get sick late in the year.

Our first obligation ought to be to ensure our Native American population receives the care we have promised them. I personally have gone throughout Indian reservations in Arizona. We have more than any other State. I made a tour of the Navajo reservations, including a lot of the health care clinics and facilities that try to take care of folks under the Indian Health Service. None has enough money to do what they are supposed to. They are understaffed. The people who are there are wonderful, dedicated health care providers. They are doing their best. But you ask any of the Native Americans whether they believe they are getting the care they are supposed to get under the program, and the answer is uniformly no. They have to wait forever. The care is not there when they need it.

This is the perfect example of rationing of care, what happens when you have a government-run system. That is what I fear most of all will result from this because we have taken on much more than we can afford.

The end result of that inevitably is the reduction in the amount of care that is provided and the quality of care that is provided.

I urge my colleagues to think very carefully about what we are getting our constituents into. We can start to turn this back by supporting the Crapo motion which at least says that folks who are middle-class families, who the President promised would not see a tax increase, will not see a tax increase under the legislation. That is what the Crapo motion would provide, and I certainly hope my colleagues support it.

#### RECESS

Mr. KYL. Mr. President, if there are no other Senators seeking recognition at this time, I ask that the Senate stand in recess under the previous order.

Thereupon, the Senate, at 12:45 p.m., recessed until 3:16 p.m. and reassem-

bled when called to order by the Presiding Officer (Mr. CRAPO).

#### SERVICE MEMBERS HOME OWNER-SHIP TAX ACT OF 2009—Resumed

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. VITTER. Mr. President, I rise to strongly support and urge all of my colleagues, Republicans and Democrats, to support the upcoming Dorgan reimportation amendment which we will be voting on later today and, just as important, to oppose the Lautenberg amendment which, as everyone knows, is a poison pill to reimportation and is simply and surely a way to absolutely kill for all practical purposes the real Dorgan reimportation language.

To me, this is a crystal-clear choice, and it is the sort of choice the American people are really interested in and really watching. It is a choice between doing something that can make a difference in people's lives, something that can help people, that can solve a real problem in health care by doing something in a focused way or we can choose to keep to the big political deal that was made inside the beltway, inside the White House with the pharmaceutical industry. That is the choice. This is really a choice between voting for the American people or voting for politics as usual in Washington. That is what it all comes down to.

On the positive side, reimportation is a very real and very effective solution to a real problem. The problem is obvious. The problem is sky-high prescription drug prices—the highest in the world—that we as Americans pay. These same drugs are sold around the world, and in many different cases—in virtually every case—we pay the highest prices in the world right here in the United States even though we have the biggest marketplace for prescription drugs. That is the system we are trying to break up. So I want and supporters of this amendment want a true free market in prescription drugs, a world price that will lower the U.S. price and dramatically help U.S. consumers.

It is not just supporters of this amendment and this concept who are making these arguments; it is unbiased sources such as the Congressional Budget Office and others. The Congressional Budget Office says this amendment—this reimportation concept will save the Federal Government money, significant money, some \$18 billion or more. And besides the savings to the Federal Government, the savings to the U.S. consumer are much greater—\$80 billion or more.

So that is the positive choice—doing something real about a real problem. That is what the American people want us to do. They want us to focus on the real problems that exist in health care and attack those real problems in a focused way.

The other alternative is to keep the political deal, to vote yes for politics as usual in Washington. Tragically,

that is what is represented by the political deal that was struck on this global health care bill between the White House and the White House's allies here in the Senate and the big pharmaceutical industry. It has been widely reported—it is no secret—that there was a deal between these bodies. The pharmaceutical industry agreed to support the President's initiative, putting as much as \$150 million of TV advertising cash behind that support, if the White House would completely change its position on reimportation and other key points.

The record is clear: When President Obama served right here with us in the U.S. Senate, he was completely for reimportation. As a Presidential candidate, he campaigned vigorously for reimportation. Rahm Emanuel, the White House Chief of Staff, when he served in the U.S. House, was strongly for reimportation. But now, all that is off because Washington politics as usual has stepped in the way. They have reversed their position through this deal with PhRMA. Tragically, that has crept into the Senate Chamber as well. Key Senators on the Democratic side—MAX BAUCUS and JAY ROCKEFELLER and others—have reversed their position and apparently now are urging “no” votes for a policy they have long supported.

Well, we will know in a few hours who will be the winner—the American people, being given lower prescription prices, or PhRMA and politics as usual in Washington. Make no mistake about it, that is the choice. It couldn't be laid out in a clearer way. And to choose for the American people, to make real progress for lower prescription drug prices, we need to do not one but two things: first, to pass the Dorgan amendment, and second, and just as important, to defeat the Lautenberg amendment side-by-side, which would clearly, by all acknowledged sources, be a poison pill to reimportation—an easy way for the administration to ensure reimportation never happens.

I urge all of my colleagues, Democrats and Republicans, to vote for lower prescription drug prices, to vote for the American people, and certainly to vote against Washington politics as usual, which the American people are so completely disgusted and fed up with. I urge that vote. Americans all around the country, in all our home States, will remember it and will thank us for it because we will actually be providing a real solution to a real problem and bringing them significantly lower prescription drug prices.

With that, Mr. President, I yield the floor, and 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. CRAPO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.