

drugs potentially subject to generic competition, the basic patents on at least five of them have long expired. Their exclusive rights to market their drugs have long expired. Yet, there is no generic competition.

Drug spending rose at double digit rates between 1996 and 1999, and experts expect the growth in prescription drug spending to continue to outpace the growth in health care spending. Some of this increase is due to increased use of drugs. But experts agree that spiraling drug prices have accounted for almost two-thirds of growth in drug spending, especially the higher prices of new, aggressively promoted drugs.

Generic drugs are clearly part of the answer. Simply put, a 1 percent increase in generic use can decrease the Nation's yearly bill for drugs by a billion dollars.

These savings are easy to understand. For patients and health plans alike, the costs for a brand drug are four times higher than for a generic equivalent. That difference is even higher for the elderly and uninsured, who must often pay full price for their medicines. On average, a month's supply of a generic drug costs a patient \$4 and the health plan \$16; the costs for a brand drug are four times higher: \$16 for the patient, \$64 for the plan. For the uninsured, and seniors who lack prescription drug coverage, the full costs are either \$20 for the generic or \$80 for the brand drug.

Prozac is a clear example. This antidepressant recently went off-patent after generic companies challenged and defeated a Prozac patent. Today, you can buy 30 generic Prozac tablets for less than \$30, less than a third of what brand-name Prozac will cost you.

There are two key loopholes in the law that our legislation will end. The first is the practice of "ever-greening" patents, filing patent after patent, many of them entirely frivolous, to try to bar generic competition long after the basic patent on the medicine has expired. The second is the outrageous tactic used by some drug companies of buying off a potential generic competitor to prevent it from marketing its drug and using a quirk in the law to bar any other competitors from the market.

Those are the two loopholes and abuses. This legislation is targeted to the abuses. The abuses result in billions of dollars for drug companies, and that is why many of the major drug companies are so strongly opposed to this legislation.

Schumer-McCain closes the ever-green loophole by permitting only one 30-month stay to apply to each generic drug. For the other patents, the drug companies are free to defend its patents the same way any other company does.

A second tactic used by the drug companies is to collude with a generic drug manufacturer to block other generic versions of the drug from getting to consumers. Under the Hatch-Wax-

man Act, the first generic drug company which gets to market has that exclusive right for six months before any other generic can compete. In some cases, brand drug companies have bribed the generic drug company never to go to market. The clock on the six months exclusivity never starts to run, and every other generic competitor is locked out forever. But the ones who pay for these unconscionable sweetheart deals are American patients.

Those are the two abuses. Schumer-McCain prevents collusion between brand name companies and generic competitors by opening generic challenges to invalid patents. Closing those two loopholes will make an extraordinary difference.

Finally, Gov. Bill Janklow of South Dakota told our committee that the savings for his State's Medicaid Program would be enormous. He added:

That's a drop in the bucket compared to what the real costs are out there for the General Motors of this world, and Roy's Blacksmith Shop, and everyone in between. It's some individual or retired person that's paying for their own on Social Security, or a working person. The point is, they all pay more.

Madam President, we will all pay more until Schumer-McCain becomes law. That is what we are about with this legislation. That is why it is so important. It is going to have an important impact in calming down the increase in the cost of drugs for the American consumer, and we think the quicker we get on this bill the better.

There are other ideas that can also help us in getting a handle on the escalation of costs. Then, hopefully, we will have an opportunity to consider the issues of coverage as well. I know there has been a previous agreement for the lunch break.

I yield the floor.

Mr. REID. Madam President, I ask unanimous consent that I be allowed to speak for a few minutes.

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

Mr. REID. Madam President, at 2:15, or thereabouts, either Senator DASCHLE or I will offer a unanimous consent request to move on to the Military Construction Subcommittee appropriations bill. We have been working on this for more than a week. I have spoken to the Republican leader and I have spoken to the Senator who has been stopping this from going forward.

Everybody should be aware, as I have told the Republican leader and the Senator who is objecting to this, we are going to do this this afternoon. I hope that during the Republican conference they will work things out so that we can move to this legislation.

I was in the White House this morning. The President wants us to move forward on the appropriations bills, especially MILCON. This will be our first appropriations bill. I think it is a shame there are issues that normally are not handled in this bill, and it

should not hold us from moving forward. Under the agreement we will propose, we will finish the bill in a little over an hour and have an appropriations bill sent to the conference committee and we can wrap it up quickly. In the next week, this bill could go to the President.

I think it is too bad we are being held up from moving forward on this bill. The two leaders of the committee, Senator BYRD and Senator STEVENS, have worked extremely hard to get us to this point. I repeat that, this afternoon, we are going to ask unanimous consent to move forward on this. I hope there is no objection to it.

Madam President, I simply say this. I have been listening to the debate this morning, and if this were a jury, like I used to have when I practiced law, this would be a quick verdict. We have the merits on our side. The American people support what we are trying to do, and I want the RECORD spread with how much I appreciate and applaud the leadership of the Senator from Massachusetts. This is something he has been working on not for days, weeks, or months but years. It is too bad we are being prevented from moving forward.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate now stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:32 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CLELAND).

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak as in morning business for no more than 1 minute.

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

EXPLANATION OF VOTE

Mr. CRAIG. Mr. President, I was absent yesterday during that most important vote that was cast on S. 2673. Friday morning I spoke to the importance of that legislation and the importance that we move it rapidly. I was extremely pleased that happened. I knew I would be in Idaho yesterday. The Secretary of Energy was with me in Idaho Falls to announce a new mission for our National Laboratory, the INEEL, so I was unable to make that vote.

Had I been here, I would certainly have been with the unanimous majority who supported that very important piece of legislation. It is time we restore within the American people confidence that corporate America is doing all it can to manage its affairs appropriately and honestly for the integrity of the stock in which the citizens of our country invest.

That is important legislation. I hope we can move quickly now to get it to