in our society. Let's talk about what it means for some individual States.

I mentioned yesterday that this amendment would provide $54 million in much needed relief to my home State of Maine. That would help avoid the necessity for draconian cuts in essential social service programs such as our Medicaid Program. But let's look at a few other States.

For Alabama, for example, this would mean $92.6 million; for Alaska, it would be $32.2 million; for Arizona, $144 million; for Arkansas, $80 million.

Let me skip down a bit. For Florida, $359 million; for Georgia, $208 million; for Hawaii, $28 million; for Idaho, $28.6 million. Indeed, the Governor of Idaho, our former colleague, Governor Kempthorne, has worked very hard as an advocate for this important legislation.

In other words, every single State in the Nation would be by this amendment provided with much needed relief. That is why we need to act. Otherwise, States are going to have no choice but to slash essential programs.

We have new figures coming out today that show the fiscal crisis affecting our partners, the States, has widened still further. According to the National Conference of State Legislators, States have used up two-thirds of their cash on hand. The gap between revenues and spending has hit $36 billion and is expected to be $58 billion, affecting 46 States. We must act. I urge my colleagues to reject the point of order.

The PRESIDING OFFICER. The Senator has used 2 minutes.

The Senator from West Virginia.

Mr. DASCHLE. Would my colleague from West Virginia withhold for a moment? If the Senator from West Virginia will yield, I appreciate my colleague's courtesy.

Mr. ROCKEFELLER. Mr. President, I yield.

TERRORISM RISK PROTECTION ACT

Mr. DASCHLE. Mr. President, as all of our colleagues know, over the last many weeks we have been attempting to work out an arrangement whereby we can go to conference on terrorism insurance. I am very pleased to be able to report this morning that we are now in a position to be able to do so. I have been in consultation with the Republican leader, and I am prepared now to present a unanimous consent request in that regard.

I ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 252, H.R. 3210, the House-passed terrorism insurance bill, that all after the enacting clause be stricken, the text of S. 2600 as passed by the Senate be inserted in lieu thereof, the bill as thus amended be read the third time, passed, the motion to reconsider be laid upon the table; that the Senate insist upon its amendment, request a conference with the House upon the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate with the ratio of 4 to 3, all without intervening action or debate.

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

The bill (H.R. 3210), as amended, was read the third time and passed.

The PRESIDING OFFICER appointed Mr. SARBANES, Mr. DODD, Mr. REED, Mr. SCHUMER, Mr. GRAMM, Mr. SHELBY, and Mr. ENZI conferees on the part of the Senate.

GREATER ACCESS TO AFFORDABLE PHARMACEUTICALS ACT OF 2001—Continued

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. Almost 17 minutes on the Republican side and 7 minutes on the Democrat's side.

Mr. NICKLES. Will the Senator yield me 8 minutes?

Mr. GRAMM. I would yield him 10 minutes. He deserves to be heard.

Mr. NICKLES. Mr. President, I rise in support of the budget point of order that was raised by my colleague from Texas. I am a little disappointed that the chairman of the Budget Committee didn't raise it. It is the responsibility of the Budget Committee. I have had the pleasure of serving with my colleague from Texas on the Budget Committee. That is the reason why we have a Budget Committee and the reason why we tried to pass a budget. We didn't pass a budget this year for the first time since 1974. Shame on this Congress. Shame on this Senate. Shame on, frankly, the leadership in this Senate for not getting it done.

It is maybe the most fiscally irresponsible thing we have not done and, as a result, there is no limit to how much money we can spend.

A budget point of order still lies on an amendment such as this, or any amendment, until the end of September, so we are raising a budget point of order for good reason. My colleague from Texas and the sponsors of the amendment, say this is a $9 billion amendment. This will increase Federal spending. You can come up with a list to show that every State is going to benefit. I know my State is going to benefit $93 million. I am sure my Governor would send me a letter saying please vote for this; we need help. And they do.

I agree with my colleague and very good friend from Maine. A lot of States are in very difficult times.

If you have an amendment on the floor that says here is $9 billion, and cut it up, every State is going to benefit. You could have every State Governor saying pass this amendment. What is wrong with it? Yes, states are having a difficult time. The Federal Government is having a difficult time, too. The Senator from Texas pointed out that the Federal deficit is much larger than the States' deficits. The Federal deficit, if you include Social Security, is $322 billion. Things may have deteriorated for State revenues, but they have deteriorated significantly for Federal revenues.

It is not just borrowing against Social Security. It is borrowing against the American people. The American people are going to have to borrow this $9 billion. They will have to pay interest on it. My biggest concern is that it is not a $9 billion amendment. I know the amendment is temporary. I know it is retroactive.

It is kind of interesting how we are going to spend retroactive money. This goes back and says we are going to increase spending going back to April of this year. And then presumably, we are going to do it through this September, and then next year.

It is an amendment that is for about 1 ½ years. My concern is it won't be a year and a half. If you increase these formulas, States are going to still be in difficult times next year. They are going to say: Let's make this permanent. These formulas, in many respects, are good. We don't want them to ever go down. We never want the States to get less.

If it is temporary, and here is a 1.35 percent increase in Federal match, what makes anybody think this won't be extended? This amendment is a $100 billion amendment. If it is extended, I can tell you if we pass this—and it may well be that my good friend from West Virginia has the votes. The administration is very opposed to it, illustrated in a letter from them that I have here. But if it becomes law, I have no doubt whatsoever that a year from now colleagues will say: Let's make this permanent. States are still in trouble. Governors will say: Let's make this permanent. Let's just increase the Federal share. It is free. It came from the Federal Government.

I just happen to disagree with that. If this is made permanent, we are talking about spending $100 billion—$9 billion basically for the first year—$100 billion. We are just going to do that? Next year we may not be able to make a budget point of order if we don't figure out some way to get fiscal discipline. We are just going to pass $100 billion, and have colleagues stand up and say: I can't believe these deficits are so high.

This amendment increases the Federal share. It increases FMAP. Times are tough, and we are going to increase the Federal share on Medicare.

Wait a minute. Times were good in the last several years when we had the largest surplus in the country. Did we see an increase in the Federal share when States were doing very well?

We have never said this should be based on the economy or on States' ability to pay. The formula for the FMAP is based on the States' income relative to the Federal income. The States' income was much higher than the norm with Federal income. They

paid a greater percentage, or they weren't subsidized to get as much. Another way to say this is that the poorer States were being subsidized more.

This just kind of inverts and says the States that had the significant growth last year are going to get the biggest benefit out of this proposal.

It doesn't do anything to fix some of the biggest fraud that is being perpetrated in this system right now—the upper payment limit. I wish my colleagues new something about it. Maybe some do. Maybe former Governors do. But there is a fraud, an accounting scheme and scam that is going on today called upper payment limit. It is being done by about 30 States that are ripping off the Medicaid Program and the Federal Government that is having difficulty. They devised a clever little gimmick to have the Federal Government—not pay 50 percent, not pay 60 percent, not pay 70 percent—pay 100 percent of Medicaid costs.

Are we fixing that? No. If we are going to deal with Medicaid, I tell my colleague from West Virginia and others that we are going to deal with the upper payment limit.

It is sickening to me to think we are telling people we are going to hold private America to a strict accountability standard; we are going to have you sign truth-in-accounting statements, fiscal statements and financial statements; and, we have Governors who are ripping off the taxpayers of this country with an upper payment scheme and scam to where they get the Federal Government to pay 100 percent of their Medicaid costs.

It is happening in State, after State, after State, after State.

Have we fixed that? No. Should we fix it? Yes. Let us deal with that.

If we are going to get into Medicaid reimbursements, let us wrestle with that. Have we had a markup in the Finance Committee? No. Have we requested it? Yes. Did we mark up this FMAP proposal? No.

Some said: We will deal with the upper payment limits. This didn't go through the Finance Committee. Maybe it is just a continual stream. Maybe the Finance Committee, which used to be an important committee, doesn't matter whatsoever. Maybe we don't need hearings anymore. Maybe we don't need markups in committee. Maybe we will do everything on the floor of the Senate.

I disagree with that. I disagree with the abuse that is being put on some States by the upper payment limit; and, then to come up with this amendment and say let us increase the Federal share on Medicaid—a Federal-State program—and have the Federal Government take more and more of the program. It used to be a Federal-State combination. Now there is this idea to let us make the Federal Government pay more.

If you are going to do a 1.35 percent increase, why not make it all Federal? Make it 70 percent in every State, or make it 80 percent. There has to be some kind of limit. The Federal Government happens to have deficit problems, too.

Just to increase this entitlement and really kind of turn the formula upside down—this goes all the way back to the creation of Medicaid, a successful program to help low-income States; a program designed to benefit the poorer States, to assist them. Medicaid is a good program, but this amendment says, well, we want the Federal Government to make up more, and when some States are abusing it, we don't stop that abuse. We are just going to have the Federal Government pick up more. We can hand out cards. Your State is going to get so many billion dollars. We'll just borrow some Federal money.

The Senator from Texas said it is Social Security money. It is Social Security, plus we are going into debt $165 billion.

We will borrow every penny that we are talking about. We will pay interest on that debt and write a check for that interest. It is not just an accounting gimmick. It is not just crediting some fictitious trust fund. We will write a check for every dime that is spent in this program.

I question the wisdom of doing that. The administration is opposed.

I will ask unanimous consent to have printed in the RECORD a letter from the Secretary of Health and Human Services, Tommy Thompson, dated July 18 that says:

> The Administration is opposed to this amendment. A temporary change in the FMAP rate would be an unprecedented disruption of the longstanding shared fiscal responsibility for the Medicaid program. FMAP rates are not designed to change according to short-term economic developments. Such cyclical movements are contrary to the intent of the Medicaid statute, and in the long term, would serve the interest of neither the States nor the Federal Government.

I believe that is exactly right.

I ask unanimous consent that this letter be printed in the RECORD÷.

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

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, July 18, 2002.

Hon. TRENT LOTT,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR MINORITY LEADER LOTT: We understand that Senators Jay Rockefeller, Susan Collins, Ben Nelson, and Gordon Smith will offer an amendment to S. 812, the "Greater Access to Affordable Pharmaceuticals Act." The amendment would provide temporary increases in the Federal Medical Assistance Percentage (FMAP) under the Medicaid program under Title XIX of the Social Security Act. It would also provide grants to States through Title XX to be used for a variety of social services programs.

The Administration is opposed to this amendment. A temporary change in the FMAP rate would be an unprecedented disruption of the longstanding shared fiscal responsibility for the Medicaid program. FMAP rates are not designed to change according to short-term economic developments. Although FMAPs are based on State per capita income levels and other economic indicators, they have not typically risen and fallen with short-term economic trends. If State logic suggests raising FMAPs now, then it would also imply lowering them in times of economic boom. If we had followed such a course, after nine years of economic recovery, current FMAP rates would be much lower than they are today. Such cyclical movements are contrary to the intent of the Medicaid statute, and in the long term, would serve the interest of neither the State nor the Federal government.

An FMAP increase is unlikely to increase health insurance coverage. Instead of using increased funds to provide more health services, States would likely use the increase in Federal dollars to lower their spending on health care. Increasing the FMAP would not lead to more coverage; it simply shifts additional health care costs onto the Federal government.

The President has introduced a nunber of initiatives to help alleviate State fiscal pressures and to increase access to health care coverage for millions of uninsured Americans, including:

$89 billion over 10 years for health credits for the uninsured;

A Medicaid drug rebate proposal that would save States billions of dollars over the next ten years;

A proposal to provide Federal funding for prescription drug coverage to low-income seniors prior to implementation of comprehensive improvements in Medicare. Such a proposal has already passed the House and would provide quick fiscal relief to States, which have had to take responsibility for prescription drug coverage in the absence of Senate action;

Medicaid coverage for families transitioning from welfare to work through FY 2003;

A proposal to make available State Children's Health Insurance Program (SCHIP) funds that under current law would return to the Treasury at the end of FY 2002 and 2003; and

The Health Insurance Flexibility and Accountability Demonstration Initiative that gives States more flexibility using Medicaid and SCHIP funds to expand health insurance coverage to low-income Americans.

All of these proposals would provide both temporary and long-term fiscal relief for States, which is the right policy response given that State' health care obligations are expected to continue to increase rapidly. In addition, these proposals would help provide more secure and affordable health care assistance for low-income Americans right away. These are far more effective approaches than an increase in the FMAP.

The Administration also opposes the temporary increase in funding for the Social Service Block Grant under Title XX of the Social Security Act. We believe that States already have sufficient access to other Federal block grant funds to supplement the Social Services Block Grant and other social services-related programs.

We understand that some States continue to have financial difficulties and that Medicaid constitutes a large share of State spending. However, we do not feel that this temporary increase in FMAP is an effective or proper way to address these final difficulties. We will continue to work with the Senate to implement effective approaches of providing relief to states while improving health care coverage and affordability.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the President's program.

Sincerely,

TOMMY G. THOMPSON.

Mr. NICKLES. Mr. President, I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Seven minutes remain on both sides. Who yields time?

Mr. NELSON of Nebraska. Mr. President, I ask my colleague from West Virginia if I might have 2 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. I yield to the Senator from Nebraska 2 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. NELSON of Nebraska. Thank you, Mr. President. I thank Senator ROCKEFELLER.

Back in the early nineties when I tried to balance our budget as Governor and had a difficult time doing it, the Federal Government reduced its share and increased ours.

Today, the Federal Government is not having the same difficulty the State of Nebraska is having in terms of revenue. For only the second time in history, Nebraska's revenues are less this year than they were last year.

If we are trying to talk about who is going to do what during difficult times and how this partnership is going to work, I think it is a little inconsistent to say the Federal Government doesn't reduce its share. It does. If it reduces it, it can increase it; and it does in the ordinary course of events.

What we are saying is, this is an unusual set of events—not a temporary downturn, although we think it is but it is an unusual set of events where the Federal Government continues to have growing income and the States are having a reduction in their income.

It is a recognition that this partnership, which was created by the Federal Government with the States, is one that needs to work as a partnership where the two partners can work together to make this program work. That is what it is.

Certainly, I am not suggesting the Federal Government take over the entire partnership, take it over as a stand-alone program at the Federal Government level. But I think it is interesting to say that somehow the Federal Government's share should not increase when, in fact, from time to time it has increased, as well as from time to time it has decreased.

I think it is important to recognize that the program is about people. It is not about giving money to the States, it is about recognizing the importance of the program to the people—the faces of people who are elderly, working parents, usually single parents who are struggling to get out of the welfare system, who currently have transitional benefits in Medicaid, who could in fact lose those benefits and lose their capacity to be able to work.

It seems to me we have to be able to look beyond what is being suggested here.

I thank the Chair.

The PRESIDING OFFICER. There are 5 minutes remaining for the Senator from West Virginia.

Mr. ROCKEFELLER. How much time is left?

The PRESIDING OFFICER. The Senator has 5 minutes, and there are 7 minutes for the other side.

Mr. ROCKEFELLER. I failed to hear the Chair.

The PRESIDING OFFICER. There are 5 minutes remaining for the Senator from West Virginia and 7 minutes remaining for the Senator from Texas. And the Chair understands that the final 5 minutes to close belong to the Senator from West Virginia.

Mr. ROCKEFELLER. I say to the Presiding Officer, I am not going to use all my time at the present time. I will just make a couple very quick points.

The Senator from Oklahoma—it is very important my colleagues and their staffs, who may be listening to this debate, understand this—used two arguments, and only two arguments.

One, he said, we may extend this. In other words, that is a classic argument. If you do not want to do something, you say, we may extend this. That is why, just like when the tax cut was written into law, it will not be extended. We have written into law that will not be extended.

The Senator from Oklahoma is saying we do not want it extended because he does not want this to happen. And I understand that. It is a good debating technique. But it isn't going to be extended. It is temporary. It is a year and a half for a very specific reason.

Mr. NICKLES. Will the Senator yield for a question?

Mr. ROCKEFELLER. I will when I am finished.

Mr. NICKLES. It is a very friendly question.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROCKEFELLER. The other is the upper payment limit, which in fact is understood by some of us. And I do not know whether the Senator is aware that the Bush administration, which writes a letter against this—which maybe is not surprising, I don't know, but it is disappointing—has already promulgated a new regulation, which took effect in April, which solves most of the problem about which the Senator is talking. The problem he is taking about is real, but it has no place in this debate. First, the administration has moved to solve it. Secondly, it has no part in this debate.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator has 3 minutes 14 seconds remaining.

Mr. NICKLES. Will the Senator yield for a very brief question?

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. On my time.

Is the Senator saying that should his amendment become law, there will not be a request to extend this next year?

Mr. ROCKEFELLER. No, I think there probably will not be, No. 1. And, No. 2, I would probably oppose that because this is an emergency measure. That is what the Senator understood right after September 11. That is why it was in the emergency package. It is an emergency measure, not a permanent measure. It is a way of helping people.

It is interesting, the Senator from Texas talked about the budget deficit. He never talked about people. This is about 40 million people who are suffering.

Mr. NICKLES. Do I have the commitment of my colleague to oppose an extension of this next year?

Mr. ROCKEFELLER. I have no instinct to extend this program because the States——

Mr. NICKLES. I thank my friend.

Mr. ROCKEFELLER. All right.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. I am going to yield time—3 minutes—to the Senator from Massachusetts, if he can arrive at his distinguished point of oratory.

Mr. REID. Will the Senator from West Virginia yield?

Mr. ROCKEFELLER. Of course.

Mr. REID. It is my understanding the Senator from West Virginia needs a little more time.

Mr. ROCKEFELLER. That is correct.

Mr. REID. I ask the Senator, approximately how much time do you need on your side?

Mr. ROCKEFELLER. Four minutes.

Mr. REID. So 5 minutes on each side. Is that OK with the Senator from Oklahoma, an additional 5 minutes on each side?

I ask unanimous consent, Mr. President, that the Senator from West Virginia be given 5 additional minutes and the Senator from Texas 5 additional minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, first, I thank our friend from West Virginia for his excellent presentation and strong support.

I welcome the opportunity to be a cosponsor of this legislation. I know there has been a good deal of debate and discussion about the technicalities of this amendment, but what we are really talking about are real people being hurt in the most egregious way if we fail to respond.

We know that our States are facing economic challenges, and those economic exigencies have required cutbacks in some of the very important programs that reach out to the neediest people in these States.

We are talking about real people who are being hurt. Pregnant women in

Florida will lose their current Medicaid coverage if their income just happens to fall between 150 and 185 percent of poverty.

A North Carolina family of four, with a child suffering from juvenile diabetes, could see their drug coverage shrink, potentially limiting their access to vital medicines.

Some 45,000 children could be cut from the Medicaid rolls in New Mexico because of the proposed cuts to deal with the $47 million shortfall.

Some 50,000 children, pregnant women, disabled, and elderly could lose their Medicaid coverage in Oklahoma because of the $21 million shortfall.

It may be expressed in dollars, but it is really being expressed in real people's lives: real suffering, real sacrifice, and real pain.

We have a chance to do something about that. This can be an expression of our values as a society and our concern about our fellow human beings. These are the neediest of the needy in our society, and this amendment will help them.

I commend the Senator for bringing this matter to the attention of the Senate. I am very hopeful it will be accepted and that the point of order will be waived.

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I yield 2 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized for 2 minutes.

Ms. COLLINS. I thank the Senator from West Virginia.

Mr. President, I just want to make a couple points.

First of all, an increase in the Federal match under Medicaid was part of the Centrist Coalition's economic recovery package we considered. It was part of virtually every version. It had widespread support. It was supported by the administration. It did not make it into the final package. But this is not a new idea. This is an idea with widespread bipartisan support.

The second point I want to make is in response to an argument made by my friend and colleague from Oklahoma. My friend from Oklahoma said Medicaid spending does not get cut in economically good times. In fact, it is countercyclical. In good times, far fewer people qualify for Medicaid. In fact, Federal and State spending on Medicaid declined dramatically during the 1990s, when the economic times were good.

So there is a countercyclical aspect of Medicaid. It does go down when times are good and the program is less needed.

Now times are not good. There are more people in need of assistance from the Medicaid Program. We know 40 million Americans rely on this program.

What we are trying to do is preserve this essential, vital health care program that provides services and care to the most vulnerable and needy in our society. That is the motivation behind our proposal. It is not to bail out the States, it is to help the States, our partners, provide essential services.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mr. GRAMM. Mr. President, we are coming to the end of this debate. I would like to make note of how deficits occur.

If anybody wants to understand why the Federal Government, which is the summation of all of the taxpayers in the country, owes trillions of dollars, this is a classic example of how that comes about. We are talking about spending $9 billion. There are 140 million taxpayers. That is $64 per taxpayer.

The problem is, taxpayers are at work. It is 11:30 on a Thursday. They don't know this debate is occurring. But all the special interest groups that want this $9 million, members of the State legislatures who ran for office to make decisions in the States, all the people who want this money are looking over their Senator's right shoulder trying to tell them that they ought to care about people on Medicaid or about the State legislature or about the State's deficit.

That would be insignificant if the 140 million taxpayers were looking over the left shoulder. The problem is, it is 11:31 on a Thursday morning and all those 140 million taxpayers are at work. They don't even know this debate is occurring. So as a result, what tends to happen over and over and over again is that spending interests dominate.

Our colleagues tell us: States have difficulty. I remind my colleagues, the Federal Government has difficulty. A year ago we had a $283 billion surplus. We were spending madly. Today we have a $165 billion deficit, and we are still spending like drunken sailors, as Ronald Reagan would say. Only drunken sailors are spending their own money, and in all fairness, we are spending somebody else's money.

We hear that the States in total could run as much as a $40 billion deficit this year. I certainly am unhappy about it. My State faces tough decisions. But we are running a $165 billion deficit. We are running a deficit over four times as big as all the States combined.

Our colleagues say: This fits an emergency. This is unforeseen, unpredicted, unanticipated. Well, it is created by a formula that has only existed for 37 years. So for 37 years we have known what the formula was. What is unanticipated, what is unpredicted about this?

Finally, as if the argument to waive this budget point of order and bar this $9 billion and take it away from Social Security could be any weaker, the argument basically comes down to: There are some States that in the last few years have been doing better than other States, better than the country as a whole, and unless we give them more money now, they may be adversely affected by the formula.

The way the formula works is, the higher the State's income relative to national income, the more of the Medicare share they pay. Should it be the other way around? Should poorer States pay a higher share?

There is not one substantive argument in favor of borrowing this $9 billion. If the American people knew this debate was occurring at 11:35 this morning, if all 120 million taxpayers were following this debate, this amendment would never have been offered and probably would not have gotten 20 votes.

The problem is, those 120 million taxpayers are at work, and all the people who want this money are looking over their Senator's right shoulder, sending letters back home, telling people whether he cares about State finances or she cares about Medicaid beneficiaries.

That is the dilemma we are in. I urge my colleagues to look at the fact that in 12 short months, we have gone from $283 billion in the black to $165 billion in the red. When does it stop? We are broke, and we don't act like it. When do we stop spending this money that we do not have?

I urge my colleagues to sustain this budget point of order. I urge everybody who has ever lamented the spending of the Social Security surplus to put their vote where their mouth is. I urge everyone who has ever lamented the deficit, who has ever gone back to their State and said, I am for fiscal responsibility, to put your vote where your mouth is. I want to urge everybody who has ever said, we can't let working people keep more of what they earn because we have a deficit, we need the money, we can't afford it; I urge them to vote against this spending.

I don't know how you can have any possibility of being consistent in taking the position that we ought to borrow this money. This is totally unjustified. I know some people want it. If you spend $9 billion, you are going to benefit somebody even if by mistake. I am not in any way denigrating that this $9 billion will help people. I am not saying it won't. But the point is, we have a budget process. We have seen the surplus go from $283 billion in the black to $165 billion in the red. Let us stop that process here.

I urge my colleagues to vote to sustain the budget point of order.

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. ROCKEFELLER. I yield 30 seconds or such time as he might need to the distinguished Senator from Nevada.

APPOINTMENT OF CONFEREES

Mr. REID. Mr. President, I am sorry I was not here when the unanimous

consent agreement was entered assigning conferees to the antiterrorism legislation. It is very important legislation. It is going to help all over the country.

I compliment and applaud Senator LOTT and others who allowed us to go forward. It is an important day. Construction will be able to go forward as soon as we complete this conference in Nevada, Delaware, all over the country. It is important legislation. I compliment and applaud the Republican leader.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, let me make a couple comments.

No. 1, my friend from Texas speaks with enormous passion about the overriding power of the budget, and at the very last moment of his last statement, for the first time he used the word ''people.'' I sat in the same Finance Committee with him for a long time when we were debating tax cuts—and I am not here to argue whether it was a good or bad thing, but there was no question that we went from a $5.6 trillion surplus to a $165 billion annual deficit probably for the next 10 years, if nothing gets worse—and I never heard him make the argument—for some reason, maybe I missed it, maybe I wasn't there at the moment—that we shouldn't do that tax cut which was the largest tax cut that this particular Senator from West Virginia, who does not need it, has ever received from the Federal Government—I never heard him talk about the possibility of budget deficits.

So it does become a matter of priorities. It is fair, as the Senators from Nebraska, Massachusetts, and Maine have mentioned, to talk about 40 million people. And to say we are doing this to bail out the States, good grief, it is quite the opposite. The States are not powerful in the same sense that the Federal Government is. The States cannot go into deficit financing—with the exception of Vermont—as can the Federal Government. They have to balance their budgets.

I was a Governor; I know that. The Senator from Nebraska was a Governor; he knows that. The States are not being bailed out. If the States cut their Medicaid eligibility, they cannot receive any of this money, unless they restore their portion through legislative action to the proper eligibility rate and, only then, on a temporary basis, for 1 and a half years, written into law, do they get this money.

I want to close on the concept of people. Sometimes it appears to me on this floor that helping people is sort of a bad thing to do because if you help people, it implies that it might cost some money. It almost always does. It also costs an awful lot more money if you don't, on some occasions. This is one of those occasions. If we do not support the motion to waive, then health infrastructure all across this country is going to be hurt because of its dependency upon Medicaid. Forty million people are going to be hurt, including disabled people, children, seniors, and others, because of this motion.

I need to tell you that this is not a bailout. This is temporary. This was in the original emergency stimulus package. Nobody argued then. Now, all of a sudden, they argue. It is very important for the States to be healthy and for the States to be able to balance their budgets, and therefore I strongly urge colleagues to support the motion to waive the point of order.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAMM. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes 51 seconds remaining.

Mr. GRAMM. Mr. President, anybody who has not heard me talk about the deficit has not been listening in the last days, weeks, and years.

Secondly, I ask unanimous consent to have printed in the RECORD the accounting of the Office of Management and Budget on where this deficit has come from. We have gone from $283 billion in the black to $165 billion in the red, and only 9 percent of that change had anything to do with the tax cut.

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

CHANGE IN SURPLUS

	FY2002		FY2003		FY2002–FY2011	
	Billions	Percent	Billions	Percent	Billions	Percent
Total surplus (OMB February 2001)	$283	.....	$334	.....	$5,637	.....
Economic and technical changes	278	64	194	49	1,669	43
Bush tax cut	41	9	94	24	1,491	38
Appropriations	45	10	40	10	409	10
Farm bill	2	0	13	3	81	2
Stimulus	59	14	39	10	42	1
Other	9	2	15	4	228	6
Total change in surplus	434	100	395	100	3,920	100
Total deficit/surplus (OMB July 2002)	150	.....	(62)	.....	1,718	.....

Source: CBO; provided by Senator Don Nickles, 7/16/02.

Mr. GRAMM. Mr. President, I will conclude by saying that we have come down to a decision about whether or not we are going to borrow $9 billion, which we don't have. Given the state of the American economy and budget, given that our deficit is four times as big as the cumulative deficit of the States, I urge my colleagues not to bust the budget, not to waive this budget point of order, but instead to be fiscally responsible.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER (Mrs. CLINTON). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 75, nays 24, as follows:

(Rollcall Vote No. 190 Leg.)

YEAS—75

Akaka	Domenici	Lugar
Allard	Dorgan	McCain
Allen	Durbin	McConnell
Baucus	Edwards	Mikulski
Bayh	Enzi	Miller
Bennett	Feinstein	Murkowski
Biden	Fitzgerald	Murray
Bingaman	Graham	Nelson (FL)
Boxer	Hagel	Nelson (NE)
Breaux	Harkin	Reed
Bunning	Hatch	Reid
Burns	Hollings	Rockefeller
Byrd	Hutchinson	Sarbanes
Campbell	Hutchison	Schumer
Cantwell	Inouye	Sessions
Chafee	Jeffords	Shelby
Cleland	Johnson	Smith (OR)
Clinton	Kennedy	Snowe
Cochran	Kerry	Specter
Collins	Kohl	Stabenow
Conrad	Landrieu	Stevens
Corzine	Leahy	Torricelli
Daschle	Levin	Warner
Dayton	Lieberman	Wellstone
Dodd	Lincoln	Wyden

NAYS—24

Bond	Feingold	Nickles
Brownback	Frist	Roberts
Carnahan	Gramm	Santorum
Carper	Grassley	Smith (NH)
Craig	Gregg	Thomas
Crapo	Inhofe	Thompson
DeWine	Kyl	Thurmond
Ensign	Lott	Voinovich

NOT VOTING—1

Helms

The PRESIDING OFFICER. On this vote the yeas are 75, the nays are 24. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. REID. I move to reconsider the vote.

Mr. ROCKEFELLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2003

Mr. DASCHLE. Madam President, under the authority granted to me and after consulting with the Republican leader, I now call up Calendar No. 504, H.R. 5121, the legislative branch appropriations bill.

The PRESIDING OFFICER. The leader has that right. The clerk will report the bill by title.

The assistant legislative clerk read as follows: