

BUSH 2001 TAX REDUCTION BY STATE FY 2001–2002—Continued

	Total (Dollars in millions)	Per capita	Per household
Texas	7,719	362	936
Utah	595	260	673
Vermont	197	320	828
Virginia	3,069	426	1,102
Washington	3,169	527	1,362
West Virginia	363	201	518
Wisconsin	1,888	349	902
Wyoming	207	411	1,061
District of Columbia	317	559	1,445
Total	111,571	392	1,013

Notes. Includes provisions that only affect individual income tax liabilities.
Source. Tax Foundation.

Mr. GRASSLEY. Madam President, this chart illustrates the benefits of the income tax rate reductions State by State. As you can see, all taxpaying families in all States benefit. The examples are endless of the great benefits that we realize when we give tax relief to working families.

While I am pleased about the first anniversary, I won't be satisfied until we make these bipartisan measures permanent.

Let's tell every taxpayer they can count on the 10 percent bracket 10 years from now. Let's tell the small business owner that, after 10 years of hard work, they won't face a tax rate of 39.6 percent. Let's tell the single mother with two children that her taxes won't rise by \$1,200. Let's tell the newlyweds that 10 years from now they don't have to face a marriage penalty. Let's tell family farmers they won't face the death tax 10 years from now. Let's tell workers saving for retirement that they can put away \$5,000 in their IRA 10 years from now. Let's tell a young couple that 10 years from now they will continue to be able to save \$2,000 each year per child for college savings.

I would like to sum up. In historical context, the tax relief package provides a modest refund to all taxpayers at a level previously supported by the Democratic leadership. Over time, the Democratic leadership's notion of what the top rate of tax should be has moved up.

Three assertions about the tax relief package, repeated almost daily by its critics, are incorrect. I will correct them once again. The tax relief package is bipartisan. The tax relief package did not cause our current or long-term budget problems. The tax relief package is progressive.

Finally, and most importantly, the tax relief package provides important resources for families, small businesses, retirement security, and education. These resources are valuable and should be available to the American people on a permanent basis.

The PRESIDING OFFICER. The Senator has used his 20 minutes.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

ORDER OF PROCEDURE

Mr. BREAUX. Madam President, a parliamentary inquiry with regard to

the time situation: Is it allocated to morning business or where am I?

The PRESIDING OFFICER. Under the previous order, the time until 11:45 is controlled by the Republican leadership.

Mr. BREAUX. Madam President, I ask then if the acting Republican leader will yield me some time.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Mr. GRASSLEY. How much time is the Senator going to use?

Ms. SNOWE. Madam President, I will use 15 minutes, but I am happy to defer to the Senator from Louisiana to precede me if I may and ask unanimous consent, of course, to do so, and then I will take my 15 minutes.

The PRESIDING OFFICER. There are only 12 minutes remaining under the previous order.

Ms. SNOWE. May I ask unanimous consent to extend that by 3 minutes to 15 minutes and 5 minutes.

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

Mr. BREAUX. Parliamentary inquiry: If I understand that, it is extended by 5 minutes, that will be until 10 to noon. Let me have 5 minutes now.

Ms. SNOWE. I am glad to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

MEDICARE

Mr. BREAUX. Madam President, today is a very important day because it is the 37th anniversary of the passing of the Medicare legislation providing universal coverage of health care for all seniors. Everybody got it. No matter what your income was, there was no gap. Those with low income got Medicare, hospital, and doctor coverage. If you were of moderate income, you got it. If you were upper income, you got it. It was a concept 37 years ago that Medicare should be a universal health care plan for all seniors.

Today, we are at some point going to be debating a fundamental change in Medicare by saying that only a portion of seniors are going to get real prescription drug coverage—not all seniors, but we are going to means test it. According to the piece of paper provided by the supporters of that approach, individuals below 200 percent of

poverty—which is \$13,300 for an individual—are going to have a Cadillac-type of coverage plan. But if you make \$13,301, tough luck. You are going to have to pay 95 percent of your drug coverage if you are not below 200 percent of poverty until you reach a figure of about \$3,300 worth of out-of-pocket drug expenses, and then the Government will make up 90 percent.

It is really interesting to see whom are we talking about covering. It is also important to think about whom we are not covering under this scaled-down version.

The average number of people in the United States below 200 percent of poverty is 30 percent. That means 70 percent of the American elderly would not qualify by being under 200 percent of poverty. These are working people who have paid taxes when they were working, who are retired, and now, because they don't qualify as being 200 percent under poverty, all of a sudden we are going to leave them out of a Medicare Program that was supposed to provide universal health coverage for all Americans. This is a fundamental break with what Medicare was all about, which was a universal plan for all seniors, not just for seniors making under 200 percent of poverty.

Seventy percent of America's elderly would not qualify for the 200 percent poverty standard. That is not what we signed into law 37 years ago and celebrate today, the advent of a Medicare Program that was universal coverage for all citizens.

I understand why we are attempting to do that. That is because we are trying to spend less money. The tripartisan plan said we could spend \$370 billion and reform Medicare by giving seniors new options and also provide a universal prescription drug plan that covered all seniors, not just those under 200 percent of poverty.

If I were a senior who had an income of \$13,301, according to their chart, I would be very unhappy with what the Senate is considering now. Seventy percent of America's seniors would not qualify under 200 percent of poverty. We can do better than that. We can do far better than that. We can do more for less, if we do it correctly and we do it in the proper fashion.

We had a plan under the tripartisan plan that was a comprehensive plan. It was a \$24-a-month premium for seniors who have to meet a \$250 deductible, and

then, after that, it was universal coverage for all seniors. They paid 50 percent coinsurance, but everybody participated. Every senior was treated equally, not just spending a substantial amount of money for a selective number of people.

Medicare is not an antipoverty program; Medicaid is. Medicare is universal coverage. It is not just saying to 70 percent of our seniors, you are not going to get any real help. Some will say we are helping those over 200 percent of poverty. You are not helping them very much when you tell them they have to pay 95 percent of the cost of their prescription drugs. Ninety-five percent, what kind of coverage is that? We are going to say: We will help you with 5 percent, but 95 percent is going to have to come out of their pocket after 200 percent of poverty. That doesn't seem to be a very good deal to me.

Then you say: When you get \$3,300 worth of out-of-pocket drug costs, the Government will help you again. It is not really the best we can do. We can do far better than that. I think we ought to.

I don't know why we are actually voting. No. 1, everybody should realize the bill did not come out of the Finance Committee, where all of this type of work should have been done, where all the compromises should have been accomplished, instead of trying to go to the floor and having one bill one day without 60 votes, another bill without 60 votes, and yet today another bill that does not have 60 votes.

We are putting people on the spot unnecessarily. I suggest we put this off and begin the real work that is possible and get something that works.

THE PRESIDING OFFICER. The Senator's time has expired.

The Senator from Maine is recognized.

Ms. SNOWE. Madam President, I ask unanimous consent to add 3 additional minutes to my 12.

THE PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Ms. SNOWE. I would be glad to yield further to my colleague from Louisiana.

Mr. BREAUX. No, thank you.

THE TRIPARTISAN PRESCRIPTION DRUG PLAN

Ms. SNOWE. Madam President, I rise today to discuss the issue of prescription drugs and how we intend to proceed on the Senate floor. I concur with my colleague from Louisiana, with whom I have had the privilege to work in crafting a tripartisan plan for more than a year, in hopes of avoiding a political showdown and confrontation on this most significant issue facing seniors in this country.

I, too, agree with my colleague from Louisiana, in the hope that we can avoid having another vote on two competing plans that will not get the nec-

essary 60 votes to proceed. I hope we can avoid a collision at the crossroads on this most significant domestic issue facing our Nation's seniors.

We have been negotiating all weekend to try to work out an agreement. Senator GRASSLEY is here in the Chamber, the ranking member of the Finance Committee. He has been working consistently and diligently to try to negotiate an agreement. Now we are faced with a political showdown; we are faced with a decision to either vote for the lowest common denominator or for no prescription drug coverage at all.

I do not believe in letting the perfect become the enemy of the good, but we certainly should not countenance the political becoming the enemy of the practical, the attainable, and the doable. We should not find ourselves in this situation today because we have been working for more than a year and a half in developing a plan to avoid having politics undermine that process.

That is why we reached across the political aisle, Republicans to Democrats and Independents, and vice versa, so that we can begin to sort out our ideas. That is not to say we had all the right ideas, but we did it to begin that process that should have begun in the Finance Committee—to debate, to amend, to work through competing ideas in order to achieve a consensus that would give impetus to the passage of this legislation. We should have had that markup. We have been saying that for weeks. In fact, we anticipated we would have a markup on that critical legislation. But we were denied that opportunity for unknown reasons. So now we are hearing we are going to have a vote regardless—the all-or-nothing proposition that seems to overtake and mire the political process to the point that it really jams the monkey wrenches into this institution.

I hope we will avoid having another vote for the sake of having a vote, drawing lines in the sand so people's positions become more intractable. I hope we can avoid that kind of situation and confrontation. We have been spending more than a week and a half on legislation that is very important to America. Using generics would save the American Government \$8 billion. It would also save our Nation's consumers more than \$60 billion over 10 years. We have been spending more than 2 weeks on that proposition in the Senate. It has had consideration in the committee of jurisdiction for several days as well.

Compare that to our initiative on prescription drug coverage—no consideration in the Senate Finance Committee, up-or-down votes on the floor of the Senate on a \$400 billion program—\$400 billion. That is more than the annual spending of the Defense Department. It is more than the newly organized Department of Homeland Security that we will be considering as well.

So now we are being asked to have one vote, as we did last week, on each competing plan on prescription drug

coverage—it will presumably cost \$400 billion over the next 10 years—with no committee consideration, no up-or-down votes on the Senate floor, no ability to amend—\$400 billion. When was the last time we created a domestic program that cost \$400 billion, with no consideration in the committee and hardly any consideration on the floor of the Senate? When?

We have spent weeks and weeks in the committees considering the homeland security legislation. We have spent 2 weeks on the floor of the Senate on a bill that will save the Nation's consumers \$60 billion over 10 years. And we have heard announced consideration for a domestic program that will cost our Government more than \$400 billion. It is really hard to understand why we are in the circumstances that we are in today. That is why I ask that we put off any polarizing votes, so that we can further work to achieve a consensus on the broader plan.

There were criticisms against the tripartisan plan—that it created a donut, it created a gap in coverage between \$3,450 and \$3,700 under catastrophic.

The legislation being put forward by the Senator from Florida will only provide coverage to seniors at extremely high costs and low incomes, or very low income coverage. More than half of our Nation's seniors will have no coverage at all. Above 200 percent, there will be a cliff because an individual earning \$17,721 will get zero coverage until they spend \$3,300. A couple with an income of \$23,880 will get zero coverage. So until they spend \$3,300 in prescription drug coverage costs, they have no coverage whatsoever. Well, I would say that is an enormous gap in coverage.

Our plan is to the contrary. It minimizes that gap in coverage. It is 50 percent coverage above 150 percent, to \$3,450; 80 percent will not even reach that benefit limit, and we provide a catastrophic coverage beginning at \$3,700. Ninety-nine percent of all seniors will participate in our program, according to the Congressional Budget Office. But under the legislation proposed by the Senator from Florida, more than half of our Medicare beneficiaries will have no coverage at all. They will have no coverage at all. That is creating a huge gap in coverage. It is a huge gap, and I think we can do better.

We have worked with the Senator from Massachusetts on concerns about the delivery mechanism in our legislation. So we have agreed to modify that to provide an absolute, ironclad agreement that there will be a fallback mechanism in the event the insurance risk delivery system fails. So there will be a guarantee, regardless of where you live in America, that you will have a benefit of the standard program that we offer in our legislation.

But we even went further and agreed to increase our program from \$370 billion to \$400 billion. So we have been flexible. We are willing to work across