

would be available against any amendment. So we look forward to getting into this as quickly as we can.

Mr. FRIST. Again, all of this demonstrates that everybody is working as hard as they can to address this situation in a reasonable, step-by-step fashion. So I am very pleased with where we are today. Both sides are very anxious to begin the amendment process, which is very good because all too often people push their amendments off until the last minute and we have many amendments flowing. In this particular case, we have encouraged people to come forward and let the managers know what amendments they plan to offer and then talk about the amendments so they can adequately plan. Indeed, that is under way.

I yield the floor.

#### RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

#### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will begin a period for morning business until the hour of 10 a.m., with the time equally divided between the two leaders or their designees.

The Senator from the great State of New Hampshire.

#### ORDER OF PROCEDURE

Mr. GREGG. I ask unanimous consent that at 10, I be recognized to speak on the prescription drug/Medicare reform bill for up to half an hour.

The PRESIDING OFFICER. Is there objection?

Mr. FRIST. Mr. President, reserving the right to object.

Mr. REID. Mr. President, I was listening to someone else speak. What did my friend from New Hampshire say?

Mr. GREGG. I am seeking the right of recognition at 10 to speak on the Medicare bill for half an hour.

The PRESIDING OFFICER. Is there objection?

Mr. REID. My only question would be, and I say to my friend, I do know that we have Senator BOND and Senator MIKULSKI who asked to be recognized as in morning business, and if we do not go on the—well, I really do not see any problem with having debate on that.

Mr. GREGG. How long does Senator MIKULSKI wish to speak?

Mr. REID. She is in the Chamber. I did not see her behind me.

How long does the Senator wish to speak?

Ms. MIKULSKI. Speaking to the Senator through the Chair, my remarks are about 5 or 7 minutes. I might add, there is a crisis in national service with volunteers. Senator BOND and I have a legislative solution. That is why

we wanted to speak in morning business.

The corporation is blaming Congress when they, my colleagues would be interested to know, oversubscribed by 20,000 volunteers. So Senator BOND wanted to share our fix with the people. I could do this in about 5 or 6 minutes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Reserving the right to object, I do not see any problem at all having the Senator from New Hampshire begin his statement when the hour of 10 arrives. It is indicated that the two Senators will complete their statements prior to that time. I ask that following his statement, a Democrat, if one wishes to speak, be recognized.

The PRESIDING OFFICER. Is there objection?

Mr. FRIST. Reserving the right to object, my understanding is it would be for debate only until the managers come back to the Chamber. May we have a general understanding that this is for debate only until the managers come?

Mr. REID. I understood from the Senator from New Hampshire that that was part of his request, that it would be for debate only.

Mr. GREGG. That was not a part of the request, but if the leader wishes, I will make that part of the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? If not, it is so ordered.

Who seeks time? The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I wish to speak as in morning business.

The PRESIDING OFFICER. The Senator has that right.

Ms. MIKULSKI. I thank the Chair.

#### CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Ms. MIKULSKI. Mr. President, what a mess we have at the Corporation for National and Community Service. The Congress has funded 50,000 AmeriCorps volunteers, as we have year after year. But, guess what. The corporation has enrolled 70,000 volunteers. It seems the corporation cannot count. As a result, there will be fewer volunteers this year.

Fortunately, because of a bipartisan collegial relationship on the VA/HUD subcommittee, Senator BOND and I are going to fix this problem for the volunteers and for the communities they serve. We are introducing something called the Strengthen AmeriCorps Program Act, and, frankly, it gives AmeriCorps the fix it needs to straighten out the mess they created.

This bill is simple and straightforward. It gives the AmeriCorps Program the flexibility within the current funding for 2003 so there can be 50,000 AmeriCorps volunteers this year.

I have been reading in press reports, but most of all I have been getting

calls from constituents and other Senators who support AmeriCorps. What are they concerned about? They are concerned that it appears there will be cuts by as much as 15,000 volunteers. I am concerned about that, too, and the effects on our communities and the young people who serve them while earning a scholarship for college.

I believe the public has a right to know what happened. So I want to explain to advocates and my colleagues what is happening and why the corporation has cut AmeriCorps. Congress has not cut AmeriCorps. It is because there is a persistent pattern of mismanagement at AmeriCorps. The corporation has over-enrolled 20,000 volunteers. When you make a mistake of 20,000 it is not a mistake, it is mismanagement. Two thousand would have been a mistake; 20,000 is mismanagement. The corporation has violated the law, mismanaged taxpayers dollars, and created uncertainty for our volunteers and our communities.

In April, at the VA/HUD subcommittee, I called on the National Service CEO, Dr. Leslie Lenkowsky, to fix the problem. He promised he would do that by June 1. But, guess what. He called on May 30 and said he just could not do it. Then out came the shrinking of the number of volunteers, and out came the blaming on Congress. Instead of fixing the problem, he blamed Congress. I wish the corporation was as good at accounting as it is blaming. They had 10 weeks to get their act together and they did not do it.

I was very stern with Dr. Lenkowsky and the Board of Directors at the hearing. I must say I thank the Board Chairman, Mr. Stephen Goldsmith, for responding constructively to the criticism of myself and other Members of the Congress. They took it to heart. They are beginning to reform national service. They are doing due diligence. They are putting more time into the oversight than, frankly, Dr. Lenkowsky.

Dr. Lenkowsky is the Chief Executive. He has failed to respond to the situation, failed to respond to the subcommittee request, failed volunteers, failed communities, and in the schools I went to when you get that many "Fs" you just flunk out.

Today, I am asking Dr. Lenkowsky to resign. I am really sorry we have gotten to this point, but we cannot continue this. I think if we are going to have a national service program, we need to have a national service program that serves the Nation and follows the directives of the Congress.

We have worked on a bipartisan basis in this subcommittee year after year after year. We saved this program. It is usually zeroed out in the House. It is a gimmick to get us to rescue it. And now, once again, thanks to the leadership and constructive relationship with Senator BOND, we are going to strengthen AmeriCorps. Without our cooperation and leadership at VA/HUD, AmeriCorps wouldn't even be here. So

we need to pass the Strengthen AmeriCorps Program quickly. It is an accounting fix that is certified and approved by OMB and GAO.

I support our President's call to national service. I want to work with President Bush in a bipartisan way to take national service into a new century. That is why I have worked with Senator McCAIN, Senator BAYH, and others to do that. Most of all, I want to work with my colleague Senator BOND, once again, as we always have, to sustain national service. Now we have legislation to clean up the mess that the corporation had. But the only way I think the corporation is going to get any momentum is if its current executive either steps aside or steps down.

I hope Congress moves this bill in a matter of days. The Nation needs it because the volunteers need it and the communities need the volunteers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, it is a real pleasure today to rise to join my colleague and good friend, the Senator from Maryland, in introducing legislation that will strengthen the Corporation for National Community Service, the AmeriCorps Program.

I assure my colleagues the Strengthen AmeriCorps Act of 2003 is a bipartisan bill introduced with Senator MIKULSKI as ranking member, and the chair of the Appropriations Committee and members of the authorizing committee. The Senator from Maryland and I believe the bill will not only address some of the corporation's accounting problems but, more importantly, it will protect and expand volunteer service opportunities across the Nation.

Many of my colleagues—I wouldn't be surprised if all of our colleagues—have heard from their constituents and the media in recent weeks about the potential cuts to the AmeriCorps Program. This bill addresses, to the best extent we can, those concerns—some have longstanding concerns about the management and financial problems of the corporation—by creating a budgeting mechanism that ensures the corporation has the funds needed to pay educational awards.

Under this bill, the corporation would be able to enroll about 50,000 AmeriCorps members without the need for additional funds. Looking at the allocation that is available for the VA/ HUD subcommittee, additional funds are not a very great prospect at this time, I regret to say. We have to deal with what OMB has given us and the allocations we received from our distinguished and all-knowing senior colleagues on the Appropriations Committee.

It is truly unfortunate—my colleague has already referred to it—that there has been a plague of significant and longstanding management problems, neglected for many years, in the corporation. One notable result of this ne-

glect has been the inappropriate and illegal practice of enrolling more AmeriCorps members than the corporation had budgeted. One would think a group of dedicated public servants running the AmeriCorps Program could count. They have not.

Last year, the corporation over-enrolled the AmeriCorps Program by more than 20,000 people. They have done it year after year, the year before and the year before that and the year before that. They came to the VA/ HUD and Independent Agencies Appropriations Committee to bail them out. We were able to provide \$43 million more than requested in the 2003 appropriations bill to meet the needs of these members and more. But because of continued poor budgeting practices, the VA/ HUD subcommittee also approved another \$64 million in deficiency appropriations in the 2003 supplemental appropriations to cover additional short-falls.

When the overenrollment problem first surfaced, we asked the GAO and the corporation's inspector general to review the accounting practices of the corporation and its internal controls to determine the causes of this problem. Further, we asked the GAO's Comptroller General to review the corporation's underlying statute to determine whether the corporation's practice complied with the law, and other fiscal laws such as the Anti-Deficiency Act.

Both the General Accounting Office and the IG found the corporation did not comply with the law by incorrectly recording its funding obligation. GAO identified several factors that led to the corporation's incorrect accounting practice. The factors included inappropriate obligation practices, little or no communication among key corporation executives, too much flexibility given to grantees regarding enrollments, and unreliable data on the number of AmeriCorps participants.

That is the official word. My unofficial word is they can't count.

GAO also found that the corporation was not following the law in recording its legal liabilities.

This bill responds to the problems identified by the auditors and allows the corporation to maximize the number of AmeriCorps enrollees that can participate in the program.

In short, the bill allows the corporation to fund AmeriCorps grants based on the estimate of the number of members who will likely complete and use their education award to ensure that the AmeriCorps Program is accountable to taxpayers and the volunteers.

It is our expectation the corporation will use conservative assumptions in developing its funding formula. This is especially important since the corporation has repeatedly failed to meet funding obligations resulting in action by Congress to provide additional funding, including deficiency appropriations.

I serve notice here and now: Don't come back to us if you screw it up

again. You are not going to get bailed out.

Further, because of poor data, the bill requires the central reserve fund to give the corporation an extra cushion in case the actual usage rate exceeds the assumption used in the formulary.

We believe we should pass this legislation as quickly as possible. It provides for clarification of the corporation in determining grant award allocations to its grantees in the States. Without this legislation, uncertainty and disagreement will delay and limit the enrollment of AmeriCorps volunteers.

Considering the demand and need for the program, we cannot afford to wait. We designed this legislation with significant input from the administration. This is one of the President's top priorities. It has, I can assure you, their undivided attention.

We think it is a reasonable and fair approach to the issue. It mitigates harm to the AmeriCorps Program in a manner that will ensure accountability and fiscal integrity.

Keeping in mind the problems identified by the auditors which led to the enrollee freeze last November, we designed this legislation to ensure that we do not repeat those past mistakes. The enrollee freeze was unfortunate. It was an avoidable mistake, if the corporation had properly managed and monitored its programs.

We need to put these enrollment issues behind us. This program has had a difficult and star-crossed history. It is unfortunate. And we are here in June revisiting the implementation of the program to ensure both accountability and credibility. We need to ensure the State and local programs are meeting both the program requirements and the community needs.

I will tell my colleagues the corporation has hired a very strong CFO in getting a handle on these problems. And they do have the full attention of not only the administration through OMB but GAO and the IG.

I urge my colleagues to support this legislation.

I ask unanimous consent that the bill I wish to introduce on behalf of myself, the Senator from Maryland, and Senators SPECTER, COLLINS, ALEXANDER, SANTORUM, and KENNEDY be held at the desk.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Mr. President, reserving the right to object, as the Senator knows, by holding the bill at the desk, it will not be referred to the committee of jurisdiction which I happen to chair, and which the Senator from Missouri is a member, as is the Senator from Maryland, and whose abilities I greatly respect. Obviously, I always have reservations about not having a bill referred to the proper committee of jurisdiction and have it step outside the proper process in the Senate, which is the bill should go to the committee of jurisdiction.

But I believe the Senators from Missouri and Maryland are addressing a critical problem, and one for which, as appropriators, they have a unique responsibility. This issue has to be resolved. I hope in resolving it we can also address issues such as the Corporation of National Service, which is a very strong organization, and which because of the mismanagement of these funds may be cut out of the funding process.

But I am not going to make the objection which logically a chairman should make to this type of request of holding it at the desk because I do think the Senators from Maryland and Missouri are doing very excellent work here, and it needs to be passed quickly. Therefore, I am willing to forego the committee of jurisdiction to get this bill through.

I congratulate Senators for bringing the matter to the attention of the Senate.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? Without objection, it is so ordered.

Mr. BOND. Mr. President, I express my deep appreciation to the chairman of the committee. We have shared this with the staff. But it was done on a very tight time schedule. I apologize to him for not being able to talk with him directly about it. I assure him it is a brief bill. If he has any questions, we will be happy to work with him.

I hope we can bring it up as quickly as possible because of the compelling nature of resolving this problem. If we can get it passed quickly, I will be happy to make a note of the particular organization in which he is interested and ensure that our friends at the Corporation for National Service know about the high priority the chairman of the authorizing committee places on this organization.

Ms. MIKULSKI. Mr. President, I, too, want to express my appreciation to the chairman of the HELP Committee, Senator GREGG. I think it is gracious of him to let us keep the bill at the desk knowing the urgency of the need to test it.

I think the point he raises about the need for regular oversight on national service is well taken. I look forward to participating in that hearing. I thank him for his courtesy and for his sensitivity to the urgency of the situation and his commitments regarding volunteers.

Mr. GREGG. Mr. President, if the Senator will yield, I will simply say I am always courteous to appropriators.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I understand there was a unanimous consent request that the Senator from New Hampshire be recognized. Is that right?

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. Mr. President, if the Senator will yield, how much time does the Senator need? I would be happy to yield on my time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I express my appreciation to the Senator from New Hampshire.

#### PRESCRIPTION DRUG BENEFITS

Mr. DURBIN. Mr. President, we are in the midst of debating a historic measure on the floor of the Senate; that is, the prescription drug bill. This is an issue which Americans understand. Seniors on fixed incomes understand how difficult it is to fill those prescription drugs to stay healthy.

For 8 or 10 years, we have been struggling to find some way to give them a helping hand to pay for their prescription drugs. There have been a lot of different proposals. Some people said the way to do it is to eliminate Medicare altogether. Others have said the best thing to do is put it, as appropriate, in Medicare.

What we have coming before us from the Senate Finance Committee by Senators GRASSLEY and BAUCUS is an effort to create a prescription drug benefit for seniors. To my mind, it falls short of what we need.

Isn't it interesting that in the course of this debate about this new bill there is one group which we have not heard from? Why is it the pharmaceutical companies and drug companies haven't said a word about the new prescription drug bill? I think the answer is obvious. Because this new prescription drug bill offered by Senators GRASSLEY and BAUCUS has no effort in it—none whatsoever, as far as I am concerned—to keep drug prices under control.

If you ask any family in America, or any senior, they will tell you the cost of prescription drugs has increased 10 to 20 percent a year. If you are a drug company, and the Federal Government says it is going to help your customers pay for the drugs, but they don't have to control your prices at all, you don't have to keep them under control, then, frankly, that is the best outcome you could hope for. You can continue to increase prices and know the Federal Government is going to pick up a portion of the tab.

Of course, if you are a customer buying prescription drugs, it is going to be an elusive target. Even though the Federal Government is offering you some help in paying for prescription drugs, if you do not do anything to contain the cost of prescription drugs, then ultimately it is going to go far beyond the family resources.

I stepped back and asked, Is there a better way to approach this? One that achieves the result, which is to help seniors pay for prescription drugs, and does it in a sensible way? I sat down and said: Take the \$400 billion we allocated for this program and put into it some price competition. For example, in the Veterans' Administration we have established a formulary where they have said for 2,300 drugs, we will

save 40 percent to 60 percent of the cost. If the drug company wants to do business with the Veterans' Administration, they have to bring down the prices. Let us apply the same principle to our use of the Medicare recipients and their drug prices.

I brought into question having this kind of formulary to reduce the cost. Then I brought in a proposal by Senators SCHUMER and GREGG that says let us encourage more generic drugs which are cheaper and just as effective. And then I added an element, which the Senator from Michigan, who is on the floor, has been pushing for and will offer as an amendment.

Why wouldn't we let the Medicare Program itself offer a prescription drug benefit? We know they have no profit margin. We know their cost of administration is lower than any drug company. So put those three things together, take the \$400 billion, and what can you achieve?

Let me tell you what you can achieve. You can guarantee—guarantee; which this bill does not do—a \$35 monthly premium for the seniors who volunteer to sign up for the program. You can eliminate the \$275 deductible, which is part of the bill that is on the floor. And instead of a 50/50 split on the cost of prescription drugs, you can move to a 70-percent Government pay, 30 percent being paid by the seniors, and you can give full coverage. You do not have the gaps in coverage that are part of the existing bill on the floor.

How do you achieve this? Because, frankly, you keep the costs under control. You have generic drugs as part of it. You have Medicare as part of the competition. And what period of time would the \$400 billion cover? We are waiting for an official CBO number, but we believe it would be a 5-year period. Then, at the end of 5 years, you can reauthorize the program, decide whether it has worked or whether it has not worked.

I think this approach, which we call Medisave, is much more preferable to the Grassley-Baucus bill because it does say to seniors: We are going to give you a better helping hand, 70 percent being paid by the Federal Government, no deductible, and a guaranteed \$35 monthly premium. And the way we will achieve it is by reducing the cost of the drugs, as we do in the Veterans' Administration today. I think that is a sensible way to approach it.

To take the Grassley-Baucus approach is to open up the possibility that the drug costs will just continue to skyrocket 10 and 20 percent a year. And in that situation, the seniors will not be able to keep up with them.

The Senator from New Hampshire was kind enough to yield to me until 10:10. I see my friend, the Senator from Michigan, has come to the floor. If the Senator from New Hampshire would not mind, I will yield the remaining time I have until 10:10 to my colleague from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.