

First off, there are two bedrock principles in this provision of law. It prohibits the Federal Government of the United States from negotiating lower drug prices on behalf of Medicare beneficiaries. It prohibits the government from doing that.

We heard a discussion from the gentlewoman from New Mexico (Mrs. WILSON) about people who will be put together in groups and they will negotiate lower prices as much as 15 or 20 percent. Well, the government has done that with our veterans and they have lowered prices up to 60 percent for those drugs and the veterans group is much smaller than the Medicare group. So if we were to aggregate all of seniors voluntarily into a group without them paying a penny or premium of any sorts and have the government negotiate on their behalf for price reductions, one could expect that they might even exceed those of Veterans Administration. Maybe we would see prices even lower than in Canada.

That is the second bedrock principle of this legislation. Not only does this legislation at the behest of the pharmaceutical industry prohibit the government from negotiating lower prices in the extortionate cost of prescription drugs, the highest in the world here in the United States, secondly, it actually would say that not only can you not do that but it is going to stop the importation of less expensive drugs from Canada and other countries because it has a provision that says the Secretary of Health and Human Services will have to say that those drugs are safe, in his opinion.

Well, he has already rendered an opinion. He has already said they are not safe in his opinion. Now, there is a little problem with that. Actually, the supply chain in Canada has more integrity than the supply chain in the United States. In the United States we have a whole host of people who are out there. We have these closed-door pharmacies. We have unregulated middle men and wholesalers. The drugs really are not tracked and a whole lot of counterfeit drugs are getting injected into the system in the United States. But in Canada the Government of Canada negotiates on the behalf of the Canadian people very substantial price cuts from U.S. manufacturers of FDA-approved drugs; and when the drugs go to Canada, they are always within the purview of the government there. They track them much more carefully than in the United States.

So arguably you could say that FDA-approved, U.S.-manufactured pharmaceuticals returning to the United States from Canada directly to a consumer would be less likely to be adulterated or counterfeit than many of those in the supply chain in the United States of America. That is very well documented. It was particularly well documented in a recent series in *The Washington Post*.

So what is really at risk here? If it is not the health of seniors, which is sud-

denly of tremendous concern to the majority party here at the behest of the pharmaceutical and insurance industries, what is really at risk? Well, what is really at risk is the extortionate price they are able to extract from the American people for pharmaceuticals. Americans pay far more than any other developed nation in the world for pharmaceuticals. This bill will do nothing to help that. In fact, this bill will guarantee that price gouging will be continued.

The other big benefit is that seniors would be allowed under this bill to go and buy private insurance at a price that is not yet totally determined but with substantial deductibles. And under the optimistic estimates, and these are only estimates because God forbid the government even after giving a \$20 billion subsidy under this bill to the private insurance industry should mandate they do anything, we are hoping that they would offer an affordable benefit; and the estimates, optimistic, are that a person who has a drug bill of \$1,000 a year would get a benefit of \$109 a year after they pay their premiums, copayments, and deductibles. A person with a drug bill of \$5,000 a year would get a benefit of \$1,024. They would pay 80 percent of the cost. The person at \$1,000 a year would pay 77 percent of the cost.

If those same people were just allowed to purchase their drugs from Canada, the price would be 50 percent or less. If the government negotiated on their behalf using the market power of the people in Medicare to reduce the price, it would likely be 50 or 45 percent. So what we are really doing here is providing a huge subsidy to the private insurance industry setting up the pharmaceutical industry to continue price gouging and setting up seniors for a very big fall; and this is such a great benefit, it will not even begin until year 2007.

This is really not a good deal for America's seniors, and AARP should be ashamed that they have lent their endorsement to this. I do not know what they got in return. I know what that side got and that was huge contributions from the pharmaceutical and insurance industries.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

(Mr. OSBORNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### STATUS REPORT ON CURRENT SPENDING LEVELS OF ON-BUDGET SPENDING AND REVENUES FOR FY 2004 AND THE 5-YEAR PERIOD FY 2004 THROUGH FY 2008

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. NUSSLE) is recognized for 5 minutes.

Mr. NUSSLE. Mr. Speaker, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 2004 and for the 5-year period of fiscal years 2004 through 2008. This report is necessary to facilitate the application of sections 302 and 311 of the Congressional Budget Act and section 501 of the conference report on the concurrent resolution on the budget for fiscal year 2004 (H. Con. Res. 95). This status report is current through November 14, 2003.

The term "current level" refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature.

The first table compares the current levels of total budget authority, outlays, and revenues with the aggregate levels set forth by H. Con. Res. 95. This comparison is needed to enforce section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for fiscal years 2004 through 2008, because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority and outlays for discretionary action by each authorizing committee with the "section 302(a)" allocations made under H. Con. Res. 95 for fiscal year 2004 and fiscal years 2004 through 2008. "Discretionary action" refers to legislation enacted after the adoption of the budget resolution. A separate allocation for the Medicare program, as established under section 401(a)(3) of the budget resolution, is shown for fiscal year 2004 and fiscal years 2004 through 2013. This comparison is needed to enforce section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(a) discretionary action allocation of new budget authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 2004 with the "section 302(b)" suballocations of discretionary budget authority and outlays among Appropriations subcommittees. This table also compares the current level of total discretionary appropriations with the section 302(a) allocation for the Appropriations Committee. These comparisons are needed to enforce section 302(f) of the Budget Act because the point of order under that section equally applies to measures that would breach either the section 302(a) allocation or the applicable section 302(b) suballocation.