

The European Union signed the treaty with Mexico, and Mexico is entering into treaties with Mercosur, the southern cone of South America, and we are tied up in a knot here. So we are inviting this huge economic base to become the customer of other regions of the world because we can't seem to get it together.

Now, I assume my time is nearing the end.

The PRESIDING OFFICER. The Senator has 7½ minutes remaining.

Mr. COVERDELL. My point is that a core component of new democracy in the world occurred right in our hemisphere. There was a marvelous achievement—to survive the institutions that make democracy work have to be put in place, and we have not done a good job on this. It has been sporadic, it is destabilizing, and we can see it. We have to only pick up a newspaper—Peru, Venezuela, Haiti, Colombia, and the list goes on.

No. 2, we have an enormous and powerful adversary in the narcotic cartels. They don't care about a single child anywhere, they don't care about any human life, and they do not care about any country. They are as evil a scourge as the world has ever seen. And they are fueling a criminal syndicate in the United States that is more powerful than anything with which we have ever dealt. Undoubtedly, somebody listening to this saw Godfather I and Godfather II—amateurs, rank amateurs compared to what we are dealing with. The economic opportunity is limitless, boundless, sitting right in our backyard, as I have said. Simply open a door. And we have let it get all frayed; we have not stayed attentive.

So, as I say, we can get focused in our own home if we can create, I call it a doctrine of the Americas, where all of us as neighbors demand certain standards, that they be upheld, and that constitutional law is a part of this hemisphere, that civil law enforcement is what we have grown to expect, and a fair judiciary must be in place. The Constitution cannot be just thrown across the desk and into a trash can. We all should be together demanding that kind of activity. If we will pay attention to this evil force and respond to it—not simply cover our eyes, but respond to it—we can keep it from doing enormous damage not only in the U.S. but across the hemisphere.

They are ruining governments. It will leave democracy in shambles. Mark my word. It must be confronted vigorously. It is a huge threat to our security. If we will pay attention to the trade opportunities and be vigorous about it, if we will do these three things, they will call this century the century of the Americas, and all of us will be rewarded tenfold in every country, and we will be an enormous force for world peace. Conversely, ignore all of these things and it will breed a problem and a trouble that will haunt us throughout the century.

I am for a century of the Americas. I get excited about it. I think we have

to, as a nation, make a step forward; we have to be bold and we have to pay attention.

Mr. President, I yield back whatever time remains. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Under the previous order, the Senator is recognized to speak for up to 60 minutes.

Mr. KENNEDY. I thank the Chair. I don't intend to take that amount of time.

f

#### PRESCRIPTION DRUGS

Mr. KENNEDY. Mr. President, the Senate Finance Committee is today holding the second in a series of hearings on prescription drugs. It is the 14th hearing on Medicare reform and how we will deal with the challenges facing the Medicare system.

I had an opportunity to testify before the Finance Committee as did several of my colleagues. Both Republicans and Democrats are urging the Senate Finance Committee to take steps to provide important relief from the cost of prescription drugs. It is a national crisis. It affects seniors in New England, it affects seniors in the Southwest, it affects seniors all across this Nation. We have a responsibility to our seniors to address the issue this year. It would be inexcusable for us to have an adjournment without addressing the prescription drug crisis that is affecting the health, well-being, and livelihood of millions of senior citizens all across this Nation.

I want to take just a few moments of time to review exactly where we are in this challenge that is facing the Senate of the United States as an institution. The Budget Committee is meeting today to make recommendations on the issue of prescription drugs, and the Finance Committee has responsibility in examining why action is so important now.

The drug crisis for seniors is reflected in two important ways:

One, coverage is going down.

Those seniors who currently have drug coverage are seeing it evaporate. The costs being paid by those senior citizens with coverage are going through the roof.

This chart is a clear indication of the situation facing our senior citizens. There are approximately 35 million senior citizens receiving Medicare. Twelve million of these seniors have no prescription drug coverage whatsoever. This is almost one third of all senior citizens.

Almost another third—11 million—have employer-sponsored coverage through their former employers. They have coverage.

Then we have Medicare HMOs, which cover 3 million seniors; 4 million seniors purchase Medigap coverage that includes a limited drug benefit; 4 million seniors have coverage through Medicaid; and 3 million have coverage through the VA and other means.

This chart really tells the story. We have 12 million seniors on Medicare with no prescription drug coverage.

What about those seniors with employer-sponsored coverage? How reliable is that coverage for our senior citizens?

Look at this chart. There has been a 25% drop in firms offering retiree health coverage between 1994 and 1997, a 3-year period. A quarter of all persons receiving employer-sponsored retiree coverage have been dropped.

The rather ominous fact is that current coverage is declining in an even more dramatic way. More and more firms are unilaterally dropping prescription drug coverage from their retiree programs. The number of seniors who are in these employer-sponsored programs is going down dramatically.

Let's look at the 3 million who have coverage through Medicare HMOs. This year alone, more than 325,000 Medicare beneficiaries lost their HMO coverage. That is true in the western part of my State. It is true in Connecticut, it is true in many parts of New England and it is true in many other areas of the country.

We know the drug coverage is only an option under HMOs; Medicare HMOs are not required to provide drug coverage. Medicare HMOs are leaving the market, and those remaining are drastically reducing the level of drug coverage. Seventy-five percent of all seniors covered through Medicare HMOs have limited coverage—capped at less than \$1,000 this year. The number of plans with such limited coverage has doubled since 1998. Thirty-two percent have imposed caps of less than \$500, an increase of 50 percent since 1998.

On the one hand, many HMOs are dropping coverage. Those maintaining coverage are putting limitations on the dollar amounts they actually cover. In the last 2 years, 75 percent have unilaterally declared that they won't provide any coverage in excess of \$1,000, and 32 percent have limited coverage to \$500.

Here we have no coverage.

Here we have falling coverage.

Here we have collapsing coverage.

And now we look at the question of the Medigap.

Look at the situation with Medigap. To qualify for Medigap coverage that includes a drug benefit, one must get that coverage at the time they first enroll in Medicare.

This chart shows that drug coverage through Medigap is unaffordable. This is the sample premium for a 75-year-old: In Delaware, \$2,600; New York, \$1,900; in Iowa, \$2,000; in Maine, \$2,400; Mississippi, \$2,400.

Individuals have to apply for Medigap plans with drug coverage at the time they first qualify for Medicare; they

are effectively closed out from purchasing a Medigap plan that includes drug coverage later.

What we are seeing here is an explosion of the Medigap premiums. As a result, protection against the cost of prescription drugs through Medigap is also in free fall. The only seniors with reliable drug coverage are the 4 million covered through Medicaid.

At the same time we are seeing this very significant decline in coverage, drug costs are growing at double-digit rates. We go from 1995, 9.7 percent; 10.1 percent in 1996; 14.2 percent in 1997; 15.7 percent in 1998; and 16.0 percent in 1999. This is against a background of a virtual flat rate of inflation. The inflation rate in 1995 was 2.5 percent; 1996, 3.3; 1997, 1.7; 1998, 1.6 and in 1999, 2.7. The inflation rate is virtually flat, yet we have seen dramatic increases in costs and reduction in coverage for drug benefits.

We have a situation where Congress is going to act. We need coverage for all, universal coverage. We must include both basic and catastrophic coverage. We should try to take care of those senior citizens represented in this group here: the 57 percent with incomes under \$15,000 plus the 21 percent with incomes between \$15,000 and \$25,000—a total of close to 80 percent of all senior citizens have incomes below \$25,000. We have to take care of these seniors. I believe coverage ought to be universal. This is what we currently do in both Medicare and Social Security.

Close to 80 percent of our senior citizens have incomes below \$25,000 a year. This is extraordinary. Almost 60 percent have incomes below \$15,000. Overall, their incomes are very modest indeed.

So coverage is collapsing at the same time costs are exploding. And who is it impacting? It is impacting close to 80 percent of the elderly people in this country with incomes below \$25,000.

This chart gives an idea of typical patient profiles. These are the types of ailments that typically affect so many of our seniors: Osteoporosis, heart trouble, high blood pressure, enlarged prostate, arthritis, ulcers, high blood pressure, heart disease and anemia.

Look at the typical cost per year. If 150 percent of poverty is \$11,985, and we saw on the last chart about 60 percent of our seniors have incomes in that range, look at the outlays these seniors have: 20 percent of their entire income, just to cover the of essential drugs needed to treat osteoporosis and heart trouble. The costs only increase for other typical conditions. These are their out-of-pocket expenditures for drugs; this does not even deal with other health-related needs they might have. It is an extraordinary burden they have.

This is why we believe that Medicare drug coverage needs to be universal. It should cover all of our senior citizens. It should provide basic coverage. It should also reach those with higher drug costs through catastrophic cov-

erage. We know only about 10 percent of the seniors need catastrophic coverage today. But many of our seniors are very concerned that they may face catastrophic needs in the future.

I am a strong believer that the next century is going to be the life science century, with major breakthroughs in medical treatment. For example, in my State of Massachusetts, if we had a breakthrough in Alzheimer's disease, we would empty half of all the nursing home beds. The savings would be astronomical. The cost of the prescription drugs might be large, but the savings through keeping Medicare beneficiaries out of hospitals and nursing homes can be dramatic, significant. That is why I think we need both basic and catastrophic coverage.

We must be guided by these principles. We want coverage that is affordable for the individual senior citizen. It should also be affordable to the Federal Government. That is why Senator ROCKEFELLER and I have advanced a Medicare drug program. A number of our colleagues have advanced other programs. What is important is that we take action and take it now.

I have here before me what we call the chairman's mark. The Budget Committee of the Senate of the United States is meeting even as I speak. They have in their chairman's mark what they call a reserve fund for Medicare. They are talking about reserving \$20 billion for Medicare. In the chairman's mark they describe a reserve fund for Medicare:

Whenever the Committee on Ways and Means of the House or the Finance Committee reports a bill or an amendment or a conference report that implements the structural Medicare reform—

In other words, nothing is available for prescription drugs without comprehensive Medicare reform. I am all for Medicare reform. But I do not know why we ought to hold a good, effective prescription drug benefit program hostage until we get comprehensive Medicare reform. This is what the program requires.

Then it says:

and improves the solvency of the Medicare Program without the use of transfers or new subsidies from the general fund.

Therefore it prohibits any use of any of the surplus at a time where we have an important and significant surplus projection. The surplus should be used to assist the Medicare program in a modest way. They prohibit any use of that surplus. It also requires and ensures additional reimbursement for Medicare providers. So we have to have a comprehensive reform of the Medicare system and we have to also have the major changes for Medicare providers before we can ever come to consider the \$20 billion that is going to be recommended as possible funds that could be used for a prescription drug program. This is half of what the President of the United States has asked for, half of his \$40 million request.

This is what it says. Under the budget:

Prescription drug benefit. The adjustments made pursuant to the prescription drug benefit may be made to address the cost of prescription drugs.

It is optional. It is optional. I do not think that is what the seniors or the American people—not just seniors, but all Americans are really interested in. They want us to take action and they want us to take action now. They do not want to set up an arbitrary barricade for us before we can take action.

I do not understand why our Budget Committee is effectively binding the Senate of the United States and prohibiting it from being able to take action on a prescription drug benefit this year unless it goes through the hoops which they have established in the committee. Even if you were able to get through all those hoops, it provides woefully inadequate funding over the next 5 years.

Last year the Budget Committee had \$100 billion over 10 years for Medicare, although in reality that money was not dedicated solely to Medicare and Medicare prescription drug coverage. Yet this year they are talking about \$20 billion over 5 years. The problem has gotten worse, not better. As we have seen, even though they had their program last year and said they are really all for prescription drug coverage, they do not have any program.

That is a very unsatisfactory way to proceed when we are talking about one of the central concerns for not only seniors but also for their families. Seniors do the best they can. So often, when the parents are unable to pay, the burden falls on other family members to chip in and help pay for mom or dad's necessary prescription drugs.

The fact is, when the Medicare system was adopted in 1965, it was to be universal in nature and have the confidence of the American people. It was a pledge to the American people—if they worked hard and played by the rules, when they retired these seniors who fought in this country's wars would be free from the dangers of absolute financial ruin due solely to their health.

We passed Social Security to provide for them to live with some sense of dignity, and Medicare was passed to give assurance that they would be able to live their golden years in with the peace, security, and dignity in knowing their health care would be covered.

At that time, only 3 percent of all private health insurance programs had a prescription benefit, so the Medicare system did not put in a prescription drug benefit. Now almost every private employer-based health plan—99 percent of them—have a prescription drug benefit. But not Medicare. This is a serious coverage gap that exists, and every senior citizen has to be concerned about this gap in coverage. It demands action.

We can develop a program this year with our current circumstances, with the economic benefits under the existing surplus. We can enact a benefit

package now that can benefit seniors. We ought to pass it this year. Sure, we can phase it in, we can build it up, but we want it now. Not like the Budget Committee saying maybe sometime off in the future and giving us absolutely no assurance. That is a mistake. That is flawed policy. That is, I think, a completely inadequate response to the challenges our seniors face.

Next week, when we debate the budget, we will have the opportunity to address this issue. I hope the overwhelming majority of the Members will support an effort that will come from our side, from our leaders to commit this body to take action and take it now. We will have a chance to vote on that. It ought to be something to which every senior citizen in this country pays attention. We will make every effort to fashion a program to provide assistance to our seniors. We are committed to that. We will not be discouraged from that opportunity by these budget recommendations.

†

#### PRESIDENT HOSNI MUBARAK

Mr. KENNEDY. Mr. President, I see my friend and colleague, the good Senator from Delaware; but behind him, I see someone for whom I have great admiration, who I join in welcoming back to the United States, a dear friend to me and one of the great world leaders of our time. He is a real voice for peace in the Middle East.

I know I will not trespass on the privileges of the Chair and the ranking minority by mentioning his name, but I want him to know what a pleasure it is to see him here.

†

#### VISIT TO THE SENATE BY THE PRESIDENT OF EGYPT, HOSNI MUBARAK

Mr. HELMS. Mr. President, it is my honor to present to the Senate the longtime friend of most Senators, the Honorable President of Egypt, Hosni Mubarak.

†

#### RECESS

Mr. HELMS. I ask unanimous consent we stand in recess for 7 minutes.

There being no objection, the Senate, at 11:52 a.m., recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BURNS).

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for as much time as I may consume.

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

†

#### TRANSPORT OF VIOLENT OFFENDERS

Mr. DORGAN. Mr. President, I intend to introduce some legislation dealing with violent crime. Before I describe that legislation, I want to speak briefly about another piece of legislation that

I previously introduced called Jeanna's bill, named after an 11-year-old girl from Fargo, ND, who was brutally murdered some while ago. I will speak about that for a moment today because something has happened in the last couple of days of which we ought to be aware.

This is a picture of a man named Kyle Bell. He is a child killer. He molested children. He was sent to prison for 30 years. He was eventually convicted of killing Jeanna North from Fargo, ND, and sent off to prison.

As is too often the case in this country, Kyle Bell was remanded to the custody of a private company to transport him to a prison in some other part of America. That private transport company lost this child killer along the way. He escaped. He was not wearing red clothing or an orange jumpsuit that said: "I am a prisoner." He was in civilian clothes. He was in a van with other prisoners.

One of the guards of the company that was transporting him apparently went in to buy a hamburger or something at a gasoline stop, and the other was asleep in the van. Kyle Bell somehow got his shackles off, climbed up through the roof of the van, and was gone. Tragically, the guards did not notice they had lost a convicted child killer for 9 hours—9 hours.

It concerned me when I saw what had happened to this child killer. This newspaper piece describes what happened and the manhunt around the country for Kyle Bell, a very violent career criminal.

I put together a piece of legislation and was joined by Senator ASHCROFT, Senator LEAHY, and others, to say that if state and local authorities are going to contract with a private company to haul convicted killers and violent offenders, at least the company ought to have to meet some basic standards. That is just common sense to me. It is not now the case.

Any retired law enforcement officer and their brother-in-law and cousin can buy a van, show up at a prison someplace and say: We are hired to haul your prisoners. In fact, it has happened all too often. I will give an example.

A husband and wife team showed up at an Iowa State prison to transport six inmates, five of them convicted murderers. The warden looked at the husband and wife team and said: You have to be kidding me. But the prisoners were given to the husband and wife to transport, and, of course, they escaped. There is story after story of this same circumstance.

The reason I mention it today is earlier this week in Chula Vista, CA, convicted murderer James Prestridge was being transported. He is a person convicted of murder and sentenced to life without parole. He was apparently, according to the Los Angeles Times, being transported from Nevada to North Dakota where he was going to be incarcerated under some kind of prisoner exchange. This is a convicted kill-

er, to be incarcerated for the rest of his life.

Guess what. Mr. James Prestridge, a convicted killer, is no longer in custody. The private company called Extradition International lost him. He escaped. They stopped at a bathroom and he overpowered a guard. He went back to the van, overpowered the other guard, and this guy was gone. He and another violent offender who was with him are on the loose today.

Why is this happening? It does not happen when the U.S. Marshal Service transports violent offenders around the country. They are not losing violent offenders. But private companies have no standards to meet, none at all. Hire a couple of people, rent a van, get your brother-in-law, and you are in business. Some States will turn convicted murderers over to you to be transported to another part of the country.

This makes no sense to me at all. Convicted killers are being transported around our country without the precaution one would expect in the transport of violent offenders. Under these circumstances, the American people are not safe.

Again, the bill I have introduced will require any private company that transports a violent offender to meet basic standards established by the Department of Justice. That bill needs to be heard. We have asked for a hearing before the Judiciary Committee. It has bipartisan support. Congress needs to pass this legislation this year.

The escape in Chula Vista, CA, of a convicted murderer is just one more example of many escapes from private prisoner transport companies. I could stand here for 20 minutes and describe the escapes that have occurred with private companies having access to violent offenders. That is not in the public interest.

In my judgment, violent offenders probably ought to be transported only by law enforcement. But if some States decide they are going to contract with private companies to transport violent offenders around this country, then those companies ought to have to meet basic standards—standards on how you shackle a violent prisoner, standards on what that violent prisoner shall wear when being transported, standards on the experience and the training of the guards and the kind of equipment that is used.

But those standards do not exist now. There is none. That is why people, such as James Prestridge, a convicted murderer, are on the loose. Let's hope no one else loses their life because of this kind of incompetence.

(The remarks of Mr. DORGAN and Mr. DURBIN pertaining to the introduction of S. 2317 and S. 2318 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

†

#### BUDGET RESOLUTION

Mr. DURBIN. Mr. President, I came to the floor to address an issue which is