

exchange market that prevents effective balance of payments adjustment or gains an unfair competitive advantage over the United States.”.

(c) REPORT.—Section 3005(b) of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5305(b)) is amended—

(1) by striking “and” at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting “; and”; and

(3) by adding at the end the following:

“(9) a detailed explanation of the test the Secretary uses to determine whether or not a country is manipulating the rate of exchange between that country’s currency and the dollar for purposes of preventing effective balance of payments adjustment or gaining an unfair competitive advantage over the United States.”.

SEC. 10. WITHDRAWAL OF NORMAL TRADE RELATIONS TREATMENT FROM THE PEOPLE’S REPUBLIC OF CHINA.

Notwithstanding the provisions of title I of Public Law 106-286, title IV of the Trade Act of 1974, or any other provision of law, effective on the date of the enactment of this Act, normal trade relations treatment shall not apply to the products of the People’s Republic of China, and normal trade relations treatment may not thereafter be extended to the products of that country.

Mr. PUTNAM. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. BONILLA). The question is on ordering the previous question.

The questions was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

STATE HIGH RISK POOL FUNDING EXTENSION ACT OF 2005

Mr. DEAL of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3204) to amend title XXVII of the Public Health Service Act to extend Federal funding for the establishment and operation of State high risk health insurance pools, as amended.

The Clerk read as follows:

H.R. 3204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “State High Risk Pool Funding Extension Act of 2005”.

SEC. 2. EXTENSION OF FUNDING FOR ESTABLISHMENT AND OPERATION OF STATE HIGH RISK HEALTH INSURANCE POOLS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (c) of section 2745 of the Public Health Service Act (42 U.S.C. 300gg-45) is amended to read as follows:

“(c) AUTHORIZATION OF APPROPRIATIONS.—

“(1) SEED GRANTS.—For the purpose of carrying out subsection (a), there is authorized to be appropriated \$15,000,000 for fiscal year 2005.

“(2) OPERATION OF POOLS.—For the purpose of carrying out subsection (b), there is authorized to be appropriated \$50,000,000 for each of the fiscal years 2005 through 2009.

“(3) AVAILABILITY; RULE OF CONSTRUCTION.—Funds appropriated under this subsection for a fiscal year shall remain available for obligation through the end of the following fiscal year. Nothing in this section shall be construed as providing a State with an entitlement to a grant under this section.”.

(b) CHANGE IN REQUIREMENTS FOR QUALIFIED HIGH RISK POOLS.—

(1) CHANGE IN REQUIREMENT FOR OPERATIONAL GRANTS.—Subsection (b) of such section is amended—

(A) in paragraph (1)(A), by inserting “(or 200 percent in the case of a State that meets the requirements of paragraph (3))” after “150 percent”;

(B) in paragraph (1)(C), by striking “after the end of fiscal year 2004” and inserting “after the end of the last fiscal year for which a grant is provided under this paragraph”; and

(C) by adding at the end the following new paragraph:

“(3) SPECIAL RULE FOR POOLS CHARGING HIGH-RISK PREMIUMS.—In the case of a qualified high risk pool of a State which charges premiums that exceed 150 percent of the premium for applicable standard risks, the State shall use at least 50 percent of the amount of the grant provided to carry out this subsection to reduce premiums for enrollees.”.

(2) CHANGE IN DEFINITION OF QUALIFIED HIGH RISK POOL.—Subsection (d) of such section is amended to read as follows:

“(d) DEFINITIONS.—In this section:

“(1) QUALIFIED HIGH RISK POOL.—The term ‘qualified high risk pool’ has the meaning given such term in section 2744(c)(2), except that a State may elect to meet the requirement of subparagraph (A) of such section (insofar as it requires the provision of coverage to all eligible individuals) through providing for the enrollment of eligible individuals through an acceptable alternative mechanism (as defined for purposes of section 2744) that includes a high risk pool as a component.

“(2) STANDARD RISK RATE.—The term ‘standard risk rate’ means a rate that—

“(A) is determined under the State high risk pool by considering the premium rates charged by other health insurers offering health insurance coverage to individuals in the insurance market served;

“(B) is established using reasonable actuarial techniques; and

“(C) reflects anticipated claims experience and expenses for the coverage involved.

“(3) STATE.—The term ‘State’ means any of the 50 States and the District of Columbia.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to grants for fiscal years beginning with fiscal year 2005.

(c) CHANGE IN ALLOTMENT FORMULA FOR OPERATIONAL GRANTS.—Subsection (b)(2) of such section is amended—

(1) by inserting “(before fiscal year 2005)” after “for a fiscal year”; and

(2) by adding at the end the following: “The amount appropriated under subsection (c)(2) for a fiscal year beginning with fiscal year 2005 (less the portion of such amount made available to carry out subsection (f)) shall be made available to the States (including entities

that operate the high risk pool under applicable State law in a State) that qualify for a grant under subsection (b) as follows

“(A) An amount equal to 1/3 of such amount shall be allocated in equal amounts among such qualifying States.

“(B) An amount equal to 1/3 of such amount shall be allocated among such States so that the amount provided to a State bears the same ratio to such available amount as the number of uninsured individuals in the State bears to the total number of uninsured individuals in all such States (as determined by the Secretary).

“(C) An amount equal to 1/3 of such amount shall be allocated among such States so that the amount provided to a State bears the same ratio to such available amount as the number of individuals enrolled in health care coverage through the qualified high risk pool of the State bears to the total number of individuals so enrolled through qualified high risk pools in all such States (as determined by the Secretary).”.

(d) ADMINISTRATIVE PROVISIONS; ANNUAL REPORT.—Such section is amended by adding at the end the following new subsection:

“(e) ADMINISTRATIVE PROVISIONS; ANNUAL REPORT.—

“(1) APPLICATIONS.—To be eligible for a grant under this section, a State shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

“(2) NO ENTITLEMENT.—Nothing in this section shall be construed as providing a State with an entitlement to a grant under this section.

“(3) ANNUAL REPORT.—The Secretary shall submit to Congress an annual report on grants provided under this section. Each such report shall include information on the distribution of such grants among the States and the use of grant funds by States.”.

(e) BONUS GRANTS FOR SUPPLEMENTAL CONSUMER BENEFITS.—Such section is further amended—

(1) in subsection (c)(2), as added by subsection (a), by adding at the end the following: “Of the amount appropriated under the preceding sentence for fiscal year 2005, up to 50 percent shall be available for the purpose of carrying out subsection (f).”; and

(2) by adding at the end the following new subsection:

“(f) BONUS GRANTS FOR SUPPLEMENTAL CONSUMER BENEFITS.—

“(1) IN GENERAL.—In the case of each State that has established a qualified high risk pool, the Secretary shall provide, from the funds made available under subsection (c)(2) to carry out this subsection, a grant to be used to provide supplemental consumer benefits to enrollees or potential enrollees (or defined subsets of such enrollees or potential enrollees) in qualified high risk pools.

“(2) BENEFITS.—Funds provided to a State under paragraph (1) may be used only to provide one or more of the following benefits:

“(A) Low-income premium subsidies.

“(B) A reduction in premium trends, actual premiums, or other cost-sharing requirements.

“(C) An expansion or broadening of the pool of individuals eligible for coverage, such as through eliminating waiting lists, increasing enrollment caps, or providing flexibility in enrollment rules.

“(3) LIMITATION.—In no case shall the amount of a grant under this subsection to a State, from the amount made available under subsection (c)(2) for a fiscal year to carry out this subsection, exceed 10 percent of the amount so made available.

“(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit a State that, on the date of enactment of this subsection, is in the process of implementing programs to provide benefits of the type described in paragraph (2), from being eligible for a grant under this subsection.

“(5) FUNDING.—

“(A) AVAILABILITY.—Funds appropriated under this subsection for a fiscal year shall remain available for obligation through the end of the following fiscal year.

“(B) REALLOTMENT.—If, on June 30 of a fiscal year for which funds are made available under this subsection, the Secretary determines that the full amounts will not be made available for grants under this subsection, such remaining amounts shall be made available and allotted among qualifying States under subsection (b) for the fiscal year in accordance with the formula under subsection (b)(2).”

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. DEAL) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. DEAL).

GENERAL LEAVE

Mr. DEAL of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DEAL of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BARTON), the chairman of the Committee of Energy and Commerce.

Mr. BARTON of Texas. Mr. Speaker, I apologize to the Speaker. There is some confusion. I have tried several times today to file the energy conference report. Because of technical glitches, every time we get right to the lip of the cliff, we have to do one little more thing. So I apologize for any confusion.

Mr. Speaker, I am here today multi-hatted. In addition to working on energy, my committee has also been working on health care. The bills that are under suspension, the five bills in the House and the Senate, are all moving to make health care better and more affordable and also more understandable for the American people.

My excellent subcommittee chairman, the gentleman from Georgia (Mr. DEAL), has worked very hard on this on a bipartisan fashion. The ranking member, the gentleman from Michigan (Mr. DINGELL) of the full committee level, and the gentleman from Ohio (Mr. BROWN), the ranking member of the subcommittee, have worked to make the bills that we are going to consider today very, very good bills as well as very bipartisan bills.

So, Mr. Speaker, I am simply saying that the first bill that we are going to consider is very worthy of consideration, and I hope the House will pass it expeditiously and then move to the next four.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I am pleased that we are on the verge of passing H.R. 3204, the State High Risk Pool Funding Extension Act. Simply put, this bill will

help more people get health insurance. People with preexisting conditions or high health care expenses face major difficulties when they seek to purchase health insurance.

This is especially true for workers in small businesses or those who are self-employed. So they often go without health insurance and turn to government programs like Medicaid when they become sick or disabled.

This bill authorizes Federal grant money to help fund the initial start-up and operation of State high-risk pools. Risk pools allow eligible individuals to purchase health insurance, pay premiums, and receive health coverage through private insurers. This grant money will allow States with those pools to cover more individuals and reduce the premiums they must pay.

It will also allow States like my home State of Georgia that do not have a qualified high-risk pool to simply start one. This bill will help to reduce the number of uninsured and provide affordable health insurance for more Americans.

Mr. Speaker, I want to thank the bill's sponsors, the gentleman from Arizona (Mr. SHADEGG), who I will recognize in a few moments, and his Democratic counterpart, the gentleman from New York (Mr. TOWNS), and their staffs for their hard work on this bill.

I would also like to thank the staff of the Energy and Commerce Committee, including Bill O'Brien of the majority staff, and Amy Hall on the ranking member, the gentleman from Michigan's (Mr. DINGELL), staff for their efforts to come up with a bipartisan proposal that will help States to ensure that individuals who do not otherwise have health insurance are able to purchase it.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 4 minutes.

I am pleased to join the gentleman from Georgia (Mr. DEAL) in supporting H.R. 3204, which reauthorizes funding for State high-risk insurance pools. I commend my colleagues, the gentleman from Arizona (Mr. SHADEGG) and the gentleman from New York (Mr. TOWNS), for their work on this legislation.

In many States, high-risk insurance pools are the only option for individuals who have been denied access to coverage in the commercial insurance system. The legislation before us is intended not only to strengthen existing high-risk pools, but to help States without such pools, my home State of Ohio is one of them, to help States without such pools to establish them.

But as we reauthorize this legislation, it is important to place high-risk insurance pools in context. These pools are a symptom of a troubled insurance system, not a cure for it.

The fact is, health insurance itself is supposed to serve as a high-risk pool. It used to be that health insurance was offered to everyone at the same pre-

mium, because any one of us could be the unlucky one to need the health care we cannot afford.

By spreading risk broadly, good health insurance can be affordable for everyone regardless of their health needs, regardless of their health status. But commercial insurers did what businesses do, they figured out how to maximize profits. You can hardly blame them for that.

You can, however, blame policy-makers in this body and other places. You can blame policymakers for letting the insurance industry get away with that. The best way to earn profits in the health insurance industry, of course, is to avoid insuring people who may actually use the coverage.

And health insurers use every trick in the book to do that, to avoid those people. To the extent they can get away with it, commercial insurers underwrite and price people who need coverage right out of the insurance market. Private health insurance used to be a community; now it is almost a country club. So we are left with stop-gap mechanisms like high-risk insurance pools.

They are far from ideal, but our most vulnerable citizens certainly would be worse off without them. We should make sure high-risk insurance pools are available. We should also keep working until we render them unnecessary.

I appreciate the author's willingness, the gentleman from Arizona (Mr. SHADEGG), and the gentleman from Texas (Chairman BARTON) to accept an amendment I offered during committee consideration to ensure that States use at least 50 percent of the bill's funding to expand access to the pool or to improve the high-risk coverage.

As it stands, States can and have used Federal risk-pool funding to replace dollars collected for the pool from private insurers, leaving the risk pools themselves no better off. That is a subversion of the bill's purposes and a questionable use of Federal funding. My amendment that the committee accepted reminds the States that Federal high-risk pool funding is intended to expand the quality and reach of high-risk pools, not to let commercial insurers off the hook for making those pools unnecessary.

Mr. Speaker, I urge my colleagues to support this legislation on behalf of individuals disenfranchised from private health insurance because they are not in perfect health. That hardly makes sense.

Mr. Speaker, I reserve the balance of my time.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank my counterpart as the ranking member of the health subcommittee for what I perceive to be his unqualified endorsement of this legislation.

Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. SHADEGG), the author of the legislation.

Mr. SHADEGG. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this piece of legislation addresses a concern which touches literally every single American life. A number of areas ago, in 2002, this Congress looked at the issue of health care in America and recognized that, sadly, there are those in this country who as a result of some form of health condition cannot acquire affordable health insurance.

□ 1200

That is a reflection of the medical conditions they suffer, whatever it might be, and it drives the cost of the health insurance they need to acquire beyond their means.

We have decided as a Nation that no one in this country should go without a basic level of health care; and recognizing these high-risk individuals, the Congress in 2002 passed legislation to encourage each of States across the country to establish a high-risk pool; that is, to create a pool of money sponsored by the State where individuals with serious illnesses, individuals in this high-risk category, could go and could acquire insurance at a more affordable rate, indeed, at a rate they could afford as opposed to going uninsured. I think this is a charitable thing to do, I think it is a compassionate thing to do, and I think it is important.

This legislation today extends that principle. I am extremely encouraged that 33 States across this country have taken advantage of the prior legislation enacted in 2002 and have established these high-risk pools to help individuals in their State who are in the high-risk category and cannot find available to them insurance at an affordable rate.

In carrying those principles forward, this legislation first and foremost encourages additional States to create high-risk pools. To accomplish that goal it provides \$15 million in seed grants available to any State which does not currently have a high-risk pool. Each State is eligible for up to \$1 million to found and begin its high-risk pool. So I hope that that money is taken advantage of by as many States as possible that do not currently have high-risk pools so that they can create a high-risk pool so those in our society who have the kinds of illnesses that make it impossible for them to acquire affordable health insurance will have that opportunity available to them in their State.

The legislation also assists those States who have already established high-risk pools. It provides \$50 million a year each year from fiscal year 2005 through fiscal year 2009 to offset operational losses for high-risk pools. These high-risk pools are funded by everyone in the State that has insurance. That is, a tax is levied on every single person that has insurance, and that tax is contributed to the high-risk pool. By

having additional money from the Federal Government to help offset operating losses, we are lowering the cost of health insurance for every single insured American.

This is vitally important legislation. I want to thank the chairman of the subcommittee, the ranking chairman of the subcommittee, the chairman of the full committee and the ranking member of the full committee for their assistance in bringing this important legislation to the floor.

Mr. BROWN of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. DEAL of Georgia. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Speaker, I thank my friend from Georgia (Mr. DEAL), my chairman, for yielding me time.

Mr. Speaker, I rise in strong support of H.R. 3204, which would extend seed grant money as well as provide \$50 million for the next 4 years for the creation and operation of high-risk pools.

Mr. Speaker, this is a nonpartisan issue. As we all well know, the increasing cost of health care has affected millions of Americans. The number of uninsured Americans is obviously too high. It underscores the needs for a change in the way we think about delivering health insurance. Congress must act in a way that will increase the affordability and the accessibility of health care for our citizens. We must also be mindful of those who are hard to insure or are simply uninsurable due to their preexisting conditions or chronic illness.

In that light, high-risk pools have quietly become an important part of our Nation's public/private patchwork of health care coverage for individuals with costly health conditions. These folks are oftentimes employed and paying their taxes, but cannot get coverage under a normal insurance plan in the individual market. Pools are already covering thousands of people who through no fault of their own do not have access to group health insurance and simply cannot afford coverage in the individual market.

Thirty-one States thankfully are already operating high-risk pools. The coverage they offer is good coverage. Oftentimes it is as good as what is offered in the private insurance market in that State. However, enrollees are charged more for that coverage. This makes sense because pool members are by definition those who are considered to be uninsurable. However, we limit how much can be charged, generally between 125 and 150 percent of the base individual market rate.

One of the important provisions of H.R. 3204 is that it requires States that charge premiums that exceed 150 percent to use at least 250 percent of their Federal grant to reduce their premiums.

Mr. Speaker, this legislation takes us a step closer to making sure that everyone can purchase the health insurance protection they need. I under-

stand the worries associated with serious health conditions, and my constituents know the danger that catastrophic health care costs can pose to working families, especially in rural families and the self-employed.

High-risk pools reduce costs on the government in the long term by providing those with serious conditions a private safety net of coverage. I hope that all States, and that includes my home State of Georgia, will soon have high-risk pools. I urge everyone to support this legislation.

Mr. DEAL of Georgia. Mr. Speaker, I want to thank my colleague from Georgia (Mr. NORWOOD) for taking time out on his birthday to be with us, and I congratulate him on his birthday.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) for the purposes of engaging in a colloquy.

Mrs. CHRISTENSEN. Mr. Speaker, I thank the gentleman from Georgia (Mr. DEAL) for yielding me time and for entering into a colloquy.

Mr. Speaker, residents of the U.S. territories face many obstacles to obtaining affordable health insurance. The cost of providing health care in the territories is relatively high, and corresponding insurance rates are high due to a number of factors, including the high level of chronic disease in small populations over which to spread risk.

The State's high-risk pool model is an innovative manner of addressing the need for health insurance for high-risk populations. H.R. 3204 authorizes Federal seed funding and additional grants in the 50 States and the District of Columbia for the purpose of initiating and operating high-risk pools, but unfortunately fails to include the U.S. territories.

H.R. 3204 is a good approach to decreasing the number of uninsured. In fact, it makes coverage accessible to people who, often through no fault of their own, suffer from these chronic diseases. It can be very helpful to my constituents and the constituents of my fellow delegates, especially given the limitations the cap on Medicaid imposes on health care delivery in the territories.

I am sure that the exclusion of the territories was an oversight, and I respectfully request your assistance and the assistance from the gentleman from Ohio (Mr. BROWN) in working to add the territories as eligible recipients of this funding as this bill moves through the rest of the legislative process and in any conference with the Senate on this reauthorization.

Mr. DEAL of Georgia. Mr. Speaker, will the gentlewoman yield?

Mrs. CHRISTENSEN. I yield to the gentleman from Georgia.

Mr. DEAL of Georgia. Mr. Speaker, I thank the gentlewoman. I want to assure her that we will work with her and the other Representatives from the territories in conference to try to make

sure that they are included in this reauthorization of the State high-risk pool. I thank her for her comments. I think they were well taken. And I have already spoken to the author of the legislation, and he assures me that he is in agreement with the proposition that the gentlewoman has brought to our attention.

Mrs. CHRISTENSEN. I thank the gentleman for agreeing to take this up in conference.

Mr. DINGELL. Mr. Speaker, this bill extends Federal grant funding for State high risk pools first authorized under the Trade Adjustment Assistance Act of 2005. High risk pools provide coverage for those who are otherwise medically uninsurable, for example, individuals with preexisting conditions or catastrophic illnesses such as cancer or multiple sclerosis. Today, 32 States operate high risk pools but these pools are far from an ideal solution. Many pools exclude coverage for certain benefits such as prescription drugs or maternity care. Other pools have waiting lists or closed enrollment. Still others exclude pre-existing conditions from coverage.

Because of these limitations, Congress established parameters around eligibility for Federal grant funding of high risk pools. The intent was to ensure that Federal funding was used to improve access and coverage under these pools. Unfortunately, in the first round of grants, half of the States that received funding used the money solely to lower insurance company assessments that fund high risk pools rather than to actually improve the pools for individual beneficiaries.

I am particularly pleased that H.R. 3204 includes bonus grants for supplemental consumer benefits. This legislation would require States to use up to 50 percent of their grant funds to improve the risk pools for consumers by lowering premiums, reducing waiting lists, or improving benefits.

Many of the bills relating to health insurance coverage and access in this Congress—such as Association Health Plans—are partisan and have little chance of passage. But I am pleased to support this legislation which is the product of a bipartisan effort to improve access to coverage under high risk pools.

Mr. BROWN of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. DEAL of Georgia. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Georgia (Mr. DEAL) that the House suspend the rules and pass the bill, H.R. 3204, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONTROLLED SUBSTANCES EXPORT REFORM ACT OF 2005

Mr. DEAL of Georgia. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1395) to amend the Controlled Substances Import and Export Act to provide authority for the Attorney General to authorize the export of

controlled substances from the United States to another country for subsequent export from that country to a second country, if certain conditions and safeguards are satisfied.

The Clerk read as follows:

S. 1395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REEXPORTATION OF CONTROLLED SUBSTANCES.

(a) SHORT TITLE.—This Act may be cited as the “Controlled Substances Export Reform Act of 2005”.

(b) IN GENERAL.—Section 1003 of the Controlled Substances Import and Export Act (21 U.S.C. 953) is amended by adding at the end the following:

“(f) Notwithstanding subsections (a)(4) and (c)(3), the Attorney General may authorize any controlled substance that is in schedule I or II, or is a narcotic drug in schedule III or IV, to be exported from the United States to a country for subsequent export from that country to another country, if each of the following conditions is met:

“(1) Both the country to which the controlled substance is exported from the United States (referred to in this subsection as the ‘first country’) and the country to which the controlled substance is exported from the first country (referred to in this subsection as the ‘second country’) are parties to the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, 1971.

“(2) The first country and the second country have each instituted and maintain, in conformity with such Conventions, a system of controls of imports of controlled substances which the Attorney General deems adequate.

“(3) With respect to the first country, the controlled substance is consigned to a holder of such permits or licenses as may be required under the laws of such country, and a permit or license to import the controlled substance has been issued by the country.

“(4) With respect to the second country, substantial evidence is furnished to the Attorney General by the person who will export the controlled substance from the United States that—

“(A) the controlled substance is to be consigned to a holder of such permits or licenses as may be required under the laws of such country, and a permit or license to import the controlled substance is to be issued by the country; and

“(B) the controlled substance is to be applied exclusively to medical, scientific, or other legitimate uses within the country.

“(5) The controlled substance will not be exported from the second country.

“(6) Within 30 days after the controlled substance is exported from the first country to the second country, the person who exported the controlled substance from the United States delivers to the Attorney General documentation certifying that such export from the first country has occurred.

“(7) A permit to export the controlled substance from the United States has been issued by the Attorney General.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. DEAL) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. DEAL).

GENERAL LEAVE

Mr. DEAL of Georgia. Mr. Speaker, I ask unanimous consent that all Mem-

bers may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1395.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1395, the Controlled Substances Export Reform Act of 2005, is simply about allowing companies to better compete in the global marketplace.

Under the Controlled Substances Import and Export Act, a company is not allowed to export controlled substances to one country and then send it to a third country. Companies that export controlled substances must make a large number of long-distance, small shipments to individual countries, incurring large shipping costs. Due to this restriction, American manufacturers are less competitive than their foreign competitors, which results in high-paying U.S. jobs being sent overseas.

S. 1395 will enable U.S. companies to export products more efficiently by allowing them to send a large shipment to one nation overseas and from there to distribute smaller shipments to other countries. All subsequent transfers of controlled substances would still be subject to strict oversight by the DEA and will require a permit from the Attorney General to prevent any potential abuse.

Both the Committee on Energy and Commerce and the Committee on the Judiciary have reported the House companion legislation to this bill earlier this year. I would like to thank the gentleman from Pennsylvania (Mr. PITTS), a member of the Committee on Energy and Commerce, for his work on this issue.

I urge my colleagues to support this needed legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before yielding to my friend from Guam, I would like to make a couple of opening comments. The Controlled Substances Import and Export Reform Act is commonsense legislation that would lift unnecessary barriers to the export of controlled substances.

I was pleased to join my colleague on the Committee on Energy and Commerce, the gentleman from Pennsylvania (Mr. PITTS), as a sponsor of this legislation.

Our bill expands the U.S. role in an important export while maintaining safeguards to prevent illegal diversion of controlled substances. The key provisions of this bill create a regulatory mechanism by which U.S. exporters can ship controlled substances efficiently from one country to another,